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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 13, 2025

Company name: EIKEN CHEMICAL CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 4549

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President & CEO

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Scheduled date of annual general meeting of shareholders: June 24, 2025

Scheduled date to commence dividend payments: June 6, 2025

Scheduled date to file annual securities report: June 25, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	40,539	1.2	2,999	(11.2)	3,198	(10.4)	2,228	(15.4)
March 31, 2024	40,052	(7.4)	3,377	(54.7)	3,568	(52.8)	2,634	(54.1)

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 2,025 million [(30.9) %]

Fiscal year ended March 31, 2024: ¥ 2,931 million [(47.6) %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	64.82	64.27	5.0	5.2	7.4
March 31, 2024	71.69	71.10	5.6	5.6	8.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million

Fiscal year ended March 31, 2024: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	62,372	43,598	69.3	1,294.08
March 31, 2024	61,651	45,971	74.0	1,318.38

(Reference) Equity: As of March 31, 2025: ¥ 43,240 million

As of March 31, 2024: ¥ 45,613 million

(3) Consolidated 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
Fiscal year ended March 31, 2025	6,033	(4,499)	(4,857)	7,640
March 31, 2024	3,806	(2,216)	(6,694)	10,966

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	25.00	-	26.00	51.00	1,826	71.1	3.9
March 31, 2025	-	26.00	-	27.00	53.00	1,802	81.8	4.1
Fiscal year ending March 31, 2026 (Forecast)	-	29.00	-	29.00	58.00		49.8	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2025 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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
Six months ending September 30, 2025	21,200	7.5	2,120	35.3	2,050	20.7	3,030	131.4	93.65
Full year	42,200	4.1	3,250	8.3	3,100	(3.1)	3,770	69.2	116.52

* Notes:

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

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) 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

(3) Number of issued shares (common shares)

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

March 31, 2025: 38,541,438 shares

March 31, 2024: 40,041,438 shares

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

March 31, 2025: 5,127,632 shares

March 31, 2024: 5,443,508 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 34,370,613 shares

Fiscal Year ended March 31, 2024: 36,744,670 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	40,483	1.3	3,048	(10.9)	3,233	(9.7)	2,514	(5.0)
March 31, 2024	39,962	(7.5)	3,422	(54.5)	3,581	(53.0)	2,648	(54.2)

	Basic earnings per share		Diluted earnings per share	
Fiscal year ended	Yen		Yen	
March 31, 2025	73.17		72.54	
March 31, 2024	72.07		71.48	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	62,571	43,910	69.6	1,303.42
March 31, 2024	61,503	45,828	73.9	1,314.26

(Reference) Equity: As of March 31, 2025: ¥ 43,552 million
As of March 31, 2024: ¥ 45,470 million

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

* 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 This Term

During the consolidated fiscal year under review, the domestic and overseas economies remained uncertain due to downside risks affected by surging resource prices, geopolitical risks and monetary policy of major countries. 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 40,539 million yen (up 1.2% year-on-year) amid sales in domestic remained at the same level as the previous year, and sales in overseas remained strong growth. This was a 0.8% increase over our company's forecast. Overall, sales in domestic and overseas remained stable.

For net sales by product class and type, sales of microbiological testing reagents increased to 4,501 million yen (up 4.4% year-on-year) amid increased sales of the rapid diagnostic kits. Sales of urinalysis reagents were 4,620 million yen (up 5.0% 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 22,540 million yen (up 3.8% year-on-year) amid sales of fecal immunochemical test reagents increased in overseas markets, and products introduced and sold from Tosoh Corporation were strong growth. Sales for clinical chemistry reagents were 573 million yen (down 0.4% year-on-year) and sales of the equipment and culture medium for food and environment related category were 1,960 million yen (down 0.1% year-on-year). Sales in other categories (medical devices, genetic-related products, etc.) were 6,342 million yen (down 10.5% year-on-year) amid a significant decrease in sales for medical devices, COVID-19 detection reagents and royalty revenue for the LAMP method. And overseas sales were 10,710 million yen (up 5.9% 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 for high-profit products including COVID-19 detection reagents and royalty revenue for the LAMP method, operating profit was 2,999 million yen (down 11.2% year-on-year), ordinary profit was 3,198 million yen (down 10.4% year-on-year) and profit attributable to owners of parent was 2,228 million yen (down 15.4% year-on-year).

(2) Summary of Consolidated Financial Position for This Term

The financial position at the end of the consolidated fiscal year under review was as follows.

When compared to the end of the previous consolidated fiscal year, total assets increased by 720 million yen, liabilities increased by 3,093 million yen, and net assets decreased by 2,373 million yen.

Major increases and decreases in the category of assets include a decrease of 6,434 million yen in cash and deposits amid the payment of deposits paid for purchase of treasury shares and a decrease of 750 million yen in notes and accounts receivable - trade, and contract assets. In addition, property, plant and equipment increased by 5,116 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, shares of associated company increased by 900 million yen and long-term deposits increased by 1,100 million yen.

In the category of liabilities, electronically recorded obligations - operating increased by 478 million yen,

and income taxes payable increased by 401 million yen. In the category of net assets, despite having recorded profit attributable to owners of parent, shareholders' equity decreased by 2,170 million yen amid the payment of dividends and purchase of treasury shares.

As a result of the above, the equity ratio decreased to 74.0% from 69.3% at the end of the previous consolidated fiscal year.

(3) Summary of Cash Flows for This Term

Cash and cash equivalents for the consolidated fiscal year under review (hereinafter referred to as "net cash") decreased by 3,326 million yen compared to the end of the previous consolidated fiscal year to 7,640 million yen on March 31, 2025.

The following is a summary of cash flows and related causes for the consolidated fiscal year under review.

Cash flows from operating activities

Net cash provided by operating activities was 6,033 million yen (compared to the net cash proceed of 3,806 million yen in the previous consolidated fiscal year). This was mainly due to 740 million yen expenditure due to decreased trade receivables, 403 million yen proceed caused by an increase in inventories, 1,081 million yen expenditure caused by an increase in trade payables, and 2,991 million yen in profit before income taxes.

Depreciation totaled 2,554 million yen.

Cash flows from investing activities

Net cash used in investing activities was an expenditure of 4,499 million yen (compared to the net cash expenditure of 2,216 million yen in the previous consolidated fiscal year). This was mainly due to 5,214 million yen in purchase of property, plant and equipment, 900 million yen in payments into shares of associated company, 3,467 million yen in payments into time deposits and 5,470 million yen in proceeds from withdrawal of time deposits.

Cash flows from financing activities

Net cash used in financing activities was 4,857 million yen (compared to the net cash expenditure of 6,694 million yen in the previous consolidated fiscal year). This was mainly due to 2,675 million yen expenditure due to purchase of treasury shares and dividends paid of 1,799 million yen.

(Reference) Change in cash flow related indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	74.3	72.8	74.2	74.0	69.3
Equity ratio based on fair value (%)	143.5	102.1	87.3	112.2	121.4
Years of debt redemption (Years)	0.1	0.2	0.4	0.9	0.6
Interest coverage ratio (Times)	1,908.2	983.3	468.5	222.9	344.0

Equity ratio: Shareholders' equity / Total assets

Equity ratio based on fair value: Total market value of shares / Total assets

Years of debt redemption: Interest-bearing debts / Cash flow

Interest coverage ratio: Cash flow / Interest paid

(Note 1) The indicators were calculated using consolidated financial figures.

(Note 2) The total market value of shares was calculated based on the total number of issued shares (excluding treasury shares).

(Note 3) Operating cash flow is used in Cash Flows.

(Note 4) Interest-bearing debts include all debts recorded on the Consolidated Balance Sheets for which interest is paid.

(4) Future Prospects

Regarding future prospects, difficult conditions will likely continue due to the unstable global situation in Ukraine, the Middle East, etc., soaring resource and raw material prices and the intensification of protectionist trade policies in the U.S.

In addition to responding to the unfolding changes in its business environment, the Eiken Group will identify existing business domains as its core businesses and implement 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,” based on the Group’s management framework “Eiken Road Map 2030.” In the field of “cancer,” we will focus on areas that are more directly related to treatment, while in the field of “infectious diseases,” we will focus on establishing simpler testing technologies. In the field of “healthcare,” the Group will expand its products and services to serve the needs of remote diagnosis and home testing. Under the new medium-term management plan (fiscal year ending March 2026 to fiscal year ending March 2028), which begins in April 2025, we will develop and expand overseas markets, restructure our product portfolio, and develop new products as our basic policies, and expand priority measures.

With a view to establishing a sustainable society, the Group has identified 11 materialities (key issues) for priority response and is deploying detailed action plans for each. The Group sets key performance indicators (KPIs) for each materiality and proceeds with each materiality while monitoring progress toward achievement. As a Group with a mission to protect the health of people worldwide, the Group is addressing issues not only in “Medical” but also in the “Environment,” “Society,” and “Governance.” We believe that contributing solutions to social issues in this way will further bolster our corporate value and lead to achieving a sustainable society.

Regarding our performance forecast for the next fiscal year, we forecast sales of 42,200 million yen (up 4.1% year-on-year) amid increased sales of fecal immunochemical test reagents and Mycobacterium tuberculosis complex detection reagent kits overseas. Overseas, we forecast net sales of 12,050 million yen (up 12.5% year-on-year) and a sales ratio of 28.6%. Regarding profit, we forecast operating profit of 3,250 million yen (up 8.3% year-on-year), ordinary profit of 3,100 million yen (up 3.1% year-on-year), and profit attributable to owners of parent of 3,770 million yen (up 69.2% year-on-year).

(5) Policy on the Determination of Dividends from Surplus, etc.

The Company has positioned the return of profits to shareholders as one of its most important management issues, and its basic policy has been to implement a stable dividend policy, taking into account the internal reserves necessary to strengthen its financial position and actively develop its business. Specifically, the Company has set a target of a consolidated dividend payout ratio of 30% or more.

In order to further strengthen shareholder returns to shareholders, instead of the target of a consolidated dividend payout ratio of 30% or more, we have decided to aim for a total return ratio of 50% or more, using the total return ratio including dividends and repurchases of treasury stock as an index for shareholder returns.

The Company regards distribution of profits to its shareholders as one of the most important management issues. Our Company's basic policies are to implement a stable dividend policy based on consideration for internal reserves required for reinforcement of our financial base and active business development, and to distribute profits by paying stable dividends twice annually in the form of an interim dividend and a year-end dividend. Specifically, based on the above-mentioned policies, the Company endeavors to achieve a total return ratio of 50% or more. In its Articles of Incorporation, the Company has set the decision-making body regarding dividends from surplus as follows: "Dividends from surplus, etc., can be distributed by a resolution of the Board of Directors in accordance with regulations of Article 459, Paragraph 1 of the Companies Act."

The year-end dividend for the current fiscal year has been set at 27 yen per share. As we have already paid an interim dividend of 26 yen on December 2, 2024, dividends on an annual basis will amount to 53 yen per share.

In regard to per share dividends for the next fiscal year, we forecast ordinary dividends consisting of an interim dividend of 29 yen and a year-end dividend of 29 yen. Internal reserves will be used effectively from a mid to long-term perspective in investment for R&D aimed at strengthening our business structure, facilities investment, and efforts to improve business efficiency.

2. Basic Stance Concerning Choice of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Group prepares its consolidated financial statements using Japanese GAAP.

Regarding application of International Financial Reporting Standards, the Group's policy is to deliberate in consideration of the future situation in Japan and overseas.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	16,308	9,873
Notes and accounts receivable - trade, and contract assets	11,679	10,928
Electronically recorded monetary claims - operating	802	812
Investments in leases	337	377
Merchandise and finished goods	4,170	4,576
Work in process	2,035	2,140
Raw materials and supplies	1,892	1,783
Other	633	1,045
Allowance for doubtful accounts	(7)	(7)
Total current assets	37,851	31,532
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,811	26,311
Accumulated depreciation	(13,821)	(14,726)
Buildings and structures, net	11,989	11,585
Machinery, equipment and vehicles	7,638	8,338
Accumulated depreciation	(6,115)	(6,469)
Machinery, equipment and vehicles, net	1,522	1,869
Tools, furniture and fixtures	5,371	5,903
Accumulated depreciation	(4,374)	(4,973)
Tools, furniture and fixtures, net	996	929
Land	1,928	1,928
Leased assets	286	333
Accumulated depreciation	(133)	(124)
Leased assets, net	153	208
Construction in progress	414	5,600
Total property, plant and equipment	17,005	22,121
Intangible assets	792	670
Investments and other assets		
Investment securities	597	408
Shares of subsidiaries and associates	-	900
Long-term time deposits	1,900	3,000
Retirement benefit asset	1,821	1,787
Deferred tax assets	356	374
Other	1,349	1,601
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	6,001	8,048
Total non-current assets	23,799	30,840
Total assets	61,651	62,372

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,648	5,251
Electronically recorded obligations - operating	2,759	3,238
Lease liabilities	384	428
Income taxes payable	-	401
Provision for bonuses	674	671
Asset retirement obligations	-	121
Other	2,885	4,264
Total current liabilities	11,351	14,376
Non-current liabilities		
Bonds payable	3,000	3,000
Lease liabilities	951	1,038
Asset retirement obligations	35	16
Other	342	342
Total non-current liabilities	4,329	4,397
Total liabilities	15,680	18,773
Net assets		
Shareholders' equity		
Share capital	6,897	6,897
Capital surplus	7,892	7,892
Retained earnings	35,801	34,700
Treasury shares	(5,686)	(6,756)
Total shareholders' equity	44,904	42,734
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35	0
Foreign currency translation adjustment	353	338
Remeasurements of defined benefit plans	319	166
Total accumulated other comprehensive income	708	505
Share acquisition rights	358	358
Total net assets	45,971	43,598
Total liabilities and net assets	61,651	62,372

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	40,052	40,539
Cost of sales	23,328	24,027
Gross profit	16,723	16,512
Selling, general and administrative expenses	13,345	13,512
Operating profit	3,377	2,999
Non-operating income		
Interest income	8	14
Dividend income	4	3
Rental income	18	12
Compensation income for damage	-	64
Compensation income	5	12
Outsourcing service income	10	30
Subsidy income	155	31
Foreign exchange gains	50	1
Other	31	66
Total non-operating income	284	235
Non-operating expenses		
Interest expenses	17	17
Commission for purchase of treasury shares	70	3
Other	6	15
Total non-operating expenses	93	36
Ordinary profit	3,568	3,198
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
Business structure improvement expenses of subsidiaries	-	250
Total extraordinary losses	66	256
Profit before income taxes	3,503	2,991
Income taxes - current	767	701
Income taxes - deferred	101	62
Total income taxes	869	763
Profit	2,634	2,228
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,634	2,228

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	2,634	2,228
Other comprehensive income		
Valuation difference on available-for-sale securities	7	(35)
Foreign currency translation adjustment	84	(15)
Remeasurements of defined benefit plans, net of tax	204	(152)
Total other comprehensive income	296	(202)
Comprehensive income	2,931	2,025
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,931	2,025
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,897	8,076	36,865	(3,095)	48,743
Changes during period					
Dividends of surplus			(1,927)		(1,927)
Profit attributable to owners of parent			2,634		2,634
Purchase of treasury shares				(4,636)	(4,636)
Disposal of treasury shares		58		32	91
Cancellation of treasury shares		(242)	(1,771)	2,013	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(183)	(1,064)	(2,590)	(3,838)
Balance at end of period	6,897	7,892	35,801	(5,686)	44,904

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	28	268	115	411	380	49,535
Changes during period						
Dividends of surplus						(1,927)
Profit attributable to owners of parent						2,634
Purchase of treasury shares						(4,636)
Disposal of treasury shares						91
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	7	84	204	296	(22)	274
Total changes during period	7	84	204	296	(22)	(3,564)
Balance at end of period	35	353	319	708	358	45,971

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,897	7,892	35,801	(5,686)	44,904
Changes during period					
Dividends of surplus			(1,799)		(1,799)
Profit attributable to owners of parent			2,228		2,228
Purchase of treasury shares				(2,672)	(2,672)
Disposal of treasury shares			38	35	73
Cancellation of treasury shares			(1,567)	1,567	-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(1,100)	(1,069)	(2,170)
Balance at end of period	6,897	7,892	34,700	(6,756)	42,734

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	35	353	319	708	358	45,971
Changes during period						
Dividends of surplus						(1,799)
Profit attributable to owners of parent						2,228
Purchase of treasury shares						(2,672)
Disposal of treasury shares						73
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	(35)	(15)	(152)	(202)	-	(202)
Total changes during period	(35)	(15)	(152)	(202)	-	(2,373)
Balance at end of period	0	338	166	505	358	43,598

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,503	2,991
Depreciation	2,326	2,554
Increase (decrease) in allowance for doubtful accounts	(9)	(0)
Increase (decrease) in provision for bonuses	(92)	(3)
Decrease (increase) in retirement benefit asset	(57)	(125)
Share-based payment expenses	15	-
Interest and dividend income	(12)	(17)
Interest expenses	17	17
Foreign exchange losses (gains)	0	0
Compensation income	(5)	(12)
Subsidy income	(155)	(31)
Loss (gain) on sale and retirement of property, plant and equipment	61	6
Loss (gain) on sale of investment securities	-	(49)
Decrease (increase) in trade receivables	(1,355)	740
Decrease (increase) in inventories	322	(403)
Decrease (increase) in other current assets	510	90
Decrease (increase) in other investments	(1)	(1)
Increase (decrease) in trade payables	(212)	1,081
Increase (decrease) in other current liabilities	343	(585)
Other, net	220	39
Subtotal	5,417	6,292
Interest and dividends received	12	13
Interest paid	(17)	(17)
Proceeds from insurance income	4	7
Income taxes paid	(1,610)	(417)
Income taxes refund	-	155
Net cash provided by (used in) operating activities	3,806	6,033
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,976)	(5,214)
Proceeds from sale of property, plant and equipment	8	14
Purchase of intangible assets	(114)	(164)
Payments for retirement of non-current assets	(63)	(7)
Purchase of investment securities	-	(83)
Proceeds from sale of investment securities	-	71
Proceeds from redemption of investment securities	-	200
Payments into time deposits	(2,341)	(3,467)
Proceeds from withdrawal of time deposits	2,279	5,470
Purchase of shares of subsidiaries and associates	-	(900)
Purchase of insurance funds	(31)	(142)
Proceeds from cancellation of insurance funds	31	-
Other payments	(6)	(276)
Net cash provided by (used in) investing activities	(2,216)	(4,499)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Purchase of treasury shares	(4,707)	(2,675)
Dividends paid	(1,927)	(1,799)
Other, net	(59)	(381)
Net cash provided by (used in) financing activities	(6,694)	(4,857)
Effect of exchange rate change on cash and cash equivalents	6	(2)
Net increase (decrease) in cash and cash equivalents	(5,098)	(3,326)
Cash and cash equivalents at beginning of period	16,064	10,966
Cash and cash equivalents at end of period	10,966	7,640

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Material basis for the preparation of consolidated financial statements)

1. The scope of consolidation

(1) Number and name of consolidated subsidiaries: 2

EIKEN CHINA CO., LTD.

EIKEN MEDICAL AMERICA INC.

(2) Number and name of the principal non-consolidated subsidiary

Not applicable.

2. Equity method

(1) Number and Name of associated company: 1

Nanotis Corporation

As a result of the acquisition of new shares, the Company is included in the scope of equity method application from the current consolidated fiscal year.

(2) Names of major companies, etc. among non-consolidated subsidiaries and associated companies to which the equity method is not applied

Not applicable.

(3) Matters that are found to be particularly necessary to be stated regarding the procedures for application of the equity method

For companies that are accounted for by the equity method and have different closing dates, the financial statements for the respective fiscal years are used.

3. Accounting period of consolidated subsidiaries

Of the consolidated subsidiaries, the fiscal closing date of EIKEN CHINA CO., LTD. is December 31.

Consolidated financial statements are prepared by implementing closing (provisional closing) in accordance with reasonable procedures based on formal closing.

The fiscal closing date of the other consolidated subsidiary is in line with the consolidated fiscal closing date.

4. Accounting policies

(1) Valuation standards and methods for significant assets

1) Securities

a. Held-to-maturity debt securities

Stated at amortized cost (straight-line method)

b. Available-for-sale securities

Securities other than shares, etc., which do not have a market price

Market value method

(The valuation difference is directly included in net assets, and cost of sales is determined by the moving-average method.)

Shares, etc., which do not have a market price

Principally the cost method by the moving-average method

2) Derivative financial instruments

Market value method

3) Inventories

Merchandise and finished goods, raw materials, and work in process

Cost method by the moving-average method (carrying amount on the consolidated balance sheet)

calculated by writing down values based on decreased profitability) is adopted.

Supplies

Cost method by the last purchase price method (carrying amount on the consolidated balance sheet calculated by writing down values based on decreased profitability) is adopted.

(2) Depreciation method of significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries adopt the declining-balance method, and overseas consolidated subsidiaries adopt the straight-line method.

However, the straight-line method is adopted for buildings purchased on or after April 1, 1998 (excluding facilities attached to buildings), and for facilities attached to buildings and structures purchased on or after April 1, 2016.

Major useful lives are as follows:

Buildings and structures: 7-40 years

Machinery, equipment, and vehicles: 4-10 years

Tools, furniture and fixtures 2-15 years

2) Intangible assets (excluding leased assets)

Straight-line method

For internal use software, the straight-line method based on amortization over the internally estimated useful lives (5 years) is adopted.

3) Leased assets

Leased assets are depreciated over the lease terms as useful lives using the straight-line method without any residual value.

(3) Accounting standards for significant reserves and allowances

1) Allowance for doubtful accounts

In order to prepare for possible credit losses on trade receivables, etc., the estimated amount of non-recoverable receivables based on the historical loss rate for general receivables and specific collectability for specific doubtful receivables are recorded.

2) Provision for bonuses

In order to prepare for payments of bonuses to the employees, the estimated payable amount to be used in the future attributable to the consolidated fiscal year under review is recorded as provision for bonuses.

(4) Accounting method for retirement benefits

1) Period attribution method for estimated retirement benefits

In calculating retirement benefit obligations, the method of attributing the estimated amount of retirement benefits to the periods up to the end of the consolidated fiscal year under review is based on the benefit formula basis.

2) Accounting method for actuarial difference and past service cost

Past service cost is expensed using the straight-line method over a period of definite years (3 years) within the employees' average remaining service years at the time when it is incurred.

Actuarial differences are accounted for as expenses over a certain number of years within the average remaining years of service of the corresponding employees (12 years) using the straight-line method, commencing with the consolidated fiscal year following the one in which they were incurred.

3) The accounting methods of unrecognized actuarial gain and loss and unrecognized past service cost

For the accounting methods of unrecognized actuarial gain and loss and unrecognized past service cost, after adjusting tax effect, they are recorded as remeasurements of defined benefit plans under accumulated other comprehensive income in net assets.

(5) Significant revenue and expense recognition standards

1) Sales of merchandise and finished goods

Sales of merchandise and finished goods include the manufacture and sale of clinical diagnostic reagents and clinical diagnostic equipment. The Company principally recognizes revenue from sales of merchandise and finished goods when making delivery of the goods to a customer as it satisfies a performance obligation by transferring control of the goods to a customer based on receipt of the goods. For clinical diagnostic equipment which requires installation at the time of sale, the Company recognizes revenue at inspection of installed equipment as it satisfies a performance obligation by transferring control of the goods to a customer based on inspection by a customer.

2) Royalty revenue

Royalty revenue includes upfront payment based on license agreement etc., milestone revenues, and running royalty calculated based on net sales etc. For upfront payment, the Company recognizes revenue at customers' receipt of the right which the Company promised to transfer to a customer based on the contract. For milestone revenues, the Company recognizes revenue at achievement of the milestone defined in the contract. For running royalty calculated based on net sales etc., the Company recognizes revenue when sales or usage occur, or it satisfies a performance obligation for which sales-based or usage-based royalty is allocated, whichever is later.

(6) Translation of significant foreign currency denominated assets and liabilities into Japanese yen

Foreign currency denominated monetary receivables and payables are translated into Japanese yen using the spot exchange rate on the closing date and the translation difference is charged or credited to income. The assets, liabilities, income, and expenses of overseas subsidiaries and affiliates are translated into yen at the year-end spot exchange rate, and translation adjustments are included in foreign currency translation adjustments in net assets.

(7) Significant hedge accounting method

1) Hedge accounting method

The appropriation procedure is adopted to foreign exchange fluctuation risk hedging that satisfies the relevant requirements.

2) Hedging instruments and hedged items, hedging policy

The risks of foreign exchange fluctuation are hedged in accordance with the Company's rules.

Hedging instruments and hedged items where hedge accounting was applied for the consolidated fiscal year under review are as follows.

Hedging instruments: Forward exchange contracts

Hedged items: Foreign currency denominated accounts payable, foreign currency denominated accounts payable - other

3) Assessment of hedge effectiveness

For forward exchange contracts, hedged items with the same date and amount and denominated in the same currency are allocated to each account payable, accounts payable – other. Therefore, the correlation by foreign exchange fluctuation thereafter is ensured completely, and the assessment of hedge effectiveness is omitted.

(8) Funds covered by consolidated statements of cash flows

Funds (cash and cash equivalents) as used in the consolidated statements of cash flows comprises cash on hand, deposits available for withdrawal as needed, and short-term investments due for redemption within three months from the date of acquisition, which are easily cashable and are subject to minimal risk of fluctuation in value.

(Changes in presentation)

(Consolidated Balance Sheets)

“Electronically recorded monetary claims – operating”, which were included in " Notes and accounts receivable - trade, and contract assets " of “Current assets” in the previous consolidated fiscal year, are presented independently from the current consolidated fiscal year to enhance clarity. To reflect this change in presentation, the Company has reclassified the consolidated financial statements for the previous fiscal year. As a result, 12,482 million yen presented in " Notes and accounts receivable - trade, and contract assets " in the consolidated balance sheet for the previous fiscal year has been reclassified to 11,679 million yen in " Notes and accounts receivable - trade, and contract assets " and 802 million yen in “Electronically recorded monetary claims - operating”.

(Changes in accounting estimates)

(Change in estimates of asset retirement obligations)

During the current fiscal year, as a 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 65 million yen each for the current fiscal year.

(Notes to Consolidated Balance Sheets)

*1. Receivables from contracts with customers in notes and accounts receivable - trade and contract assets are as follows.

	(Million yen)	
	As of March 31, 2024	As of March 31, 2025
Notes	1	-
Accounts receivable - trade	11,440	10,721
Electronically recorded monetary claims - operating	800	810

*2. Contract liabilities in other is as follows.

	(Million yen)	
	As of March 31, 2024	As of March 31, 2025
Contract liability	62	97

*3. Regarding accounting policies for notes maturing on the last day of the consolidated fiscal year, although the last day of the consolidated fiscal year under review was a holiday for financial institutions, the notes are treated as if the settlement was made on the maturity date.

Notes maturing on the last day of the consolidated fiscal year under review are as follows.

	(Million yen)	
	As of March 31, 2024	As of March 31, 2025
Electronically recorded monetary claims - operating	17	-

4. Overdraft contracts and commitment lines are concluded for efficient procurement of working capital. The balance of unexecuted loans based on these contracts is as follows.

	(Million yen)	
	As of March 31, 2024	As of March 31, 2025
Total of overdraft maximum amount and commitment lines	4,600	8,600
Outstanding borrowings	-	-
Difference	4,600	8,600

(Notes to Consolidated Statements of Income)

*1. Revenue from contracts with customers is not presented independently. Revenue from contracts with customers is as follows.

	(Million yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
	39,767	40,300

*2. Ending inventory is the amount after being written down due to decreased profitability, and the following loss on valuation of inventory (the amount after offset of reversal with reversal method), is included in total cost of sales.

	(Million yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
	114	40

*3. The main expense items and amounts of selling, general and administrative expenses are as follows.

	(Million yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Salaries	2,526	2,492
Provision for bonuses	353	339
Retirement benefit expenses	112	53
Research and development expenses	3,939	4,386
Provision of allowance for doubtful accounts	(1)	(0)

*4. Research and development expenses included in general and administrative expenses, and manufacturing costs incurred during the period are as follows.

	(Million yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
	3,939	4,386

*5. Description of loss on sale and retirement of non-current assets is as follows.

	(Million yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Buildings and structures	15	0
Machinery, equipment and vehicles	1	0
Tools, furniture and fixtures	0	5
Software	3	0
Dismantlement cost	46	-
Total	66	6

*6 Business structure improvement expenses of subsidiaries

This was amid the restructuring of manufacturing facilities and inventories with the review of business activities of subsidiaries in China and economic compensation for employees.

(Notes to Consolidated Statements of Comprehensive Income)

*1. Reclassification adjustment and tax effect relating to other comprehensive income

	(Million yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Valuation difference on available-for-sale securities:		
Amount incurred during the period	11	(0)
Reclassification adjustment	-	(49)
Before tax effect adjustment	11	(50)
Tax effect	(3)	15
Valuation difference on available-for-sale securities	7	(35)
Foreign currency translation adjustment:		
Amount incurred during the period	84	(15)
Remeasurements of defined benefit plans, net of tax:		
Amount incurred during the period	315	(159)
Reclassification adjustment	(20)	(58)
Before tax effect adjustment	294	(218)
Tax effect	(90)	65
Remeasurements of defined benefit plans, net of tax	204	(152)
Total other comprehensive income	296	(202)

(Notes to Consolidated Statements of Changes in Net Assets)

For the fiscal year ended March 31, 2024

1. Class and total number of issued shares and class and total number of treasury shares

	(Shares)			
	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period
Issued shares				
Common shares (Note) 1.	43,541,438	—	3,500,000	40,041,438
Total	43,541,438	—	3,500,000	40,041,438
Treasury shares				
Common shares (Note) 2.3.	6,512,625	2,500,000	3,569,117	5,443,508
Total	6,512,625	2,500,000	3,569,117	5,443,508

- (Notes)
1. The decrease in total number of issued shares by 3,500,000 shares of common shares is due to the cancellation of treasury shares based on a resolution of the Board of Directors.
 2. The increase in treasury shares by 2,500,000 shares of common shares is due to the purchase of treasury shares based on a resolution of the Board of Directors.
 3. The decrease in treasury shares by 3,569,117 shares of common shares is due to the 3,500,000 shares decrease caused by the cancellation of treasury shares based on a resolution of the Board of Directors, the 35,417 shares decrease caused by the disposal of treasury shares as restricted stock units, and the 33,700 shares decrease caused by the exercise of stock options.

2. Share acquisition rights and treasury share acquisition rights

Category	Description of Share acquisition rights	Class of shares for Share acquisition rights	Number of shares for Share acquisition rights (Share)				Balance at the end of the period (Million yen)
			Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period	
The Company (Parent company)	Share acquisition rights as stock options	—	—	—	—	—	358
Total		—	—	—	—	—	358

3. Dividends

(1) Cash dividends paid

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
April 28, 2023 Board of Directors meeting	Common shares	999	27	March 31, 2023	June 8, 2023
October 26, 2023 Board of Directors meeting	Common shares	927	25	September 30, 2023	December 1, 2023

(2) Dividends for which the record date falls in the current period, but the effective date falls in the following period

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend source	Dividend per share (Yen)	Record date	Effective date
May 9, 2024 Board of Directors meeting	Common shares	899	Retained earnings	26	March 31, 2024	June 7, 2024

For the fiscal year ended March 31, 2025

1. Class and total number of issued shares and class and total number of treasury shares

				(Shares)
	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period
Issued shares				
Common shares (Note) 1.	40,041,438	—	1,500,000	38,541,438
Total	40,041,438	—	1,500,000	38,541,438
Treasury shares				
Common shares (Notes) 2. 3.	5,443,508	1,217,919	1,533,795	5,127,632
Total	5,443,508	1,217,919	1,533,795	5,127,632

- (Notes) 1. The decrease in total number of issued shares by 1,500,000 shares of common shares is due to the cancellation of treasury shares based on a resolution of the Board of Directors.
2. The increase in treasury shares by 1,217,919 shares of common shares is due to the 1,217,200 shares increase caused by the purchase of treasury shares based on a resolution of the Board of Directors, the 110 shares increase caused by the purchase of odd-lot shares, the 609 shares increase caused by the free acquisition of restricted stock compensation.
3. The decrease in treasury shares by 1,533,795 shares of common shares is due to the 1,500,000 shares decrease caused by the cancellation of treasury shares based on a resolution of the Board of Directors, the 33,795 shares decrease caused by the disposal of treasury shares as restricted stock units.

2. Share acquisition rights and treasury share acquisition rights

Category	Description of Share acquisition rights	Class of shares for Share acquisition rights	Number of shares for Share acquisition rights (Share)				Balance at the end of the period (Million yen)
			Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period	
The Company (Parent company)	Share acquisition rights as stock options	—	—	—	—	—	358
Total		—	—	—	—	—	358

3. Dividends

(1) Cash dividends paid

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
May 9, 2024 Board of Directors meeting	Common shares	899	26	March 31, 2024	June 7, 2024
October 31, 2024 Board of Directors meeting	Common shares	900	26	September 30, 2024	December 2, 2024

(2) Dividends for which the record date falls in the current period, but the effective date falls in the following period

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend source	Dividend per share (Yen)	Record date	Effective date
May 13, 2025 Board of Directors meeting	Common shares	902	Retained earnings	27	March 31, 2025	June 6, 2025

(Notes to Consolidated Statements of Cash Flows)

*1. Relationship between cash and cash equivalents at end of year and account items listed in the consolidated balance sheets

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash and deposits	16,308	9,873
Time deposits with deposit terms of more than three months	(5,341)	(2,233)
Cash and cash equivalents	10,966	7,640

(Lease transactions)

(Lessee)

1. Finance lease transactions

Finance leases wherein ownership of the leased asset does not transfer to the lessee

1) Description of leased assets

Property, plant and equipment

Research and development facility, tools, furniture and fixtures, and machinery, equipment and vehicles

2) Depreciation method of leased assets

As described in “(2) Depreciation method of significant depreciable assets under 4. Accounting policies” of (Material basis for the preparation of consolidated financial statements).

2. Operating lease transactions

Future lease payments under non-cancelable operating lease transactions

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Within one year	252	205
Over one year	241	100
Total	494	306

(Lessor)

Finance lease transactions

(1) Description of investments in leases

1) Current assets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Lease receivables	359	402
Interest income equivalents	(21)	(24)
Investments in leases	337	377

2) Investments and other assets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Lease receivables	867	906
Interest income equivalents	(35)	(40)
Investments in leases	832	865

(2) Scheduled amount of debt recovery after the closing date for lease receivables associated with investments in leases

1) Current assets

(Million yen)

	As of March 31, 2024					
	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Lease receivables	—	—	—	—	—	—
Investments in leases	359	—	—	—	—	—

(Million yen)

	As of March 31, 2025					
	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Lease receivables	—	—	—	—	—	—
Investments in leases	402	—	—	—	—	—

2) Investments and other assets

(Million yen)

	As of March 31, 2024					
	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Lease receivables	—	—	—	—	—	—
Investments in leases	—	318	241	151	78	77

(Million yen)

	As of March 31, 2025					
	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Lease receivables	—	—	—	—	—	—
Investments in leases	—	326	235	162	103	79

(Segment information)

Segment information

Fiscal year ended March 31, 2024 and fiscal year ended March 31, 2025

Omitted since the Group's business is a single segment in the clinical diagnostics business.

(Per share information)

(Yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	1,318.38	1,294.08
Basic earnings per share	71.69	64.82
Diluted earnings per share	71.10	64.27

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

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	2,634	2,228
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	2,634	2,228
Average number of shares of common shares outstanding during each fiscal year (Thousand shares)	36,744	34,370
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Million yen)	—	—
Increase in number of shares of common shares (Thousand shares)	306	297
(Bonds with share acquisition rights included in the above)	(306)	(297)
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect	—	

(Significant subsequent events)

At a meeting of the Board of Directors held on May 13, 2025, the Company resolved to transfer all equity interests in our company's consolidated subsidiary, EIKEN CHINA CO., LTD. (Eiken China) For details, please refer to "Notice Concerning Transfer of Equity Interests of Consolidated Subsidiaries" announced on May 13, 2025.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	15,721	9,332
Notes receivable - trade	1	-
Accounts receivable - trade	11,675	10,928
Electronically recorded monetary claims - operating	802	812
Investments in leases	337	377
Merchandise and finished goods	4,172	4,585
Work in process	2,001	2,140
Raw materials and supplies	1,874	1,783
Prepaid expenses	310	265
Other	313	768
Allowance for doubtful accounts	(7)	(7)
Total current assets	37,204	30,988
Non-current assets		
Property, plant and equipment		
Buildings	23,178	23,642
Accumulated depreciation	(12,328)	(13,090)
Buildings, net	10,849	10,552
Structures	1,654	1,701
Accumulated depreciation	(812)	(917)
Structures, net	842	784
Machinery and equipment	7,201	8,051
Accumulated depreciation	(5,756)	(6,190)
Machinery and equipment, net	1,445	1,861
Vehicles	49	53
Accumulated depreciation	(41)	(45)
Vehicles, net	8	7
Tools, furniture and fixtures	5,342	5,875
Accumulated depreciation	(4,356)	(4,957)
Tools, furniture and fixtures, net	985	918
Land	1,928	1,928
Leased assets	281	289
Accumulated depreciation	(129)	(116)
Leased assets, net	152	173
Construction in progress	414	5,600
Total property, plant and equipment	16,627	21,826
Intangible assets		
Patent right	4	5
Software	572	469
Other	24	12
Total intangible assets	601	487

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Investments and other assets		
Investment securities	597	408
Shares of subsidiaries and associates	72	972
Investments in capital	0	0
Investments in capital of subsidiaries and associates	1,316	1,316
Distressed receivables	20	20
Long-term prepaid expenses	89	118
Long-term time deposits	1,900	3,000
Life insurance funds	170	312
Prepaid pension costs	1,360	1,545
Deferred tax assets	495	450
Investments in leases	832	865
Other	236	282
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	7,070	9,269
Total non-current assets	24,299	31,583
Total assets	61,503	62,571
Liabilities		
Current liabilities		
Accounts payable - trade	4,678	5,257
Electronically recorded obligations - operating	2,759	3,238
Lease liabilities	384	428
Accounts payable - other	1,503	1,251
Accrued expenses	285	215
Income taxes payable	-	401
Refund liabilities	373	407
Contract liabilities	54	97
Deposits received	126	47
Provision for bonuses	674	671
Asset retirement obligations	-	121
Other	505	2,163
Total current liabilities	11,345	14,300
Non-current liabilities		
Bonds payable	3,000	3,000
Lease liabilities	951	1,001
Asset retirement obligations	35	16
Other	342	342
Total non-current liabilities	4,329	4,360
Total liabilities	15,675	18,661

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	6,897	6,897
Capital surplus		
Legal capital surplus	7,892	7,892
Total capital surplus	7,892	7,892
Retained earnings		
Legal retained earnings	338	338
Other retained earnings		
Reserve for tax purpose reduction entry	54	51
Open innovation Promotional tax system deposit	-	225
General reserve	4,330	4,330
Retained earnings brought forward	31,608	30,572
Total retained earnings	36,331	35,517
Treasury shares	(5,686)	(6,756)
Total shareholders' equity	45,434	43,551
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	35	0
Total valuation and translation adjustments	35	0
Share acquisition rights	358	358
Total net assets	45,828	43,910
Total liabilities and net assets	61,503	62,571

Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales		
Net sales of finished goods	18,459	18,175
Net sales of goods	21,503	22,307
Total net sales	39,962	40,483
Cost of sales		
Beginning inventory of merchandise and finished goods	4,728	4,172
Cost of products manufactured	8,116	8,354
Cost of purchased goods	14,752	16,218
Ending inventory of merchandise and finished goods	4,172	4,585
Total cost of sales	23,425	24,161
Gross profit	16,536	16,321
Selling, general and administrative expenses	13,114	13,273
Operating profit	3,422	3,048
Non-operating income		
Interest income	0	5
Dividend income	4	3
Compensation income for damage	-	64
Compensation income	5	12
Outsourcing service income	10	30
Foreign exchange gains	45	14
Subsidy income	155	31
Other	30	59
Total non-operating income	253	222
Non-operating expenses		
Interest expenses	4	4
Interest expenses on bonds	12	12
Commission for purchase of treasury shares	70	3
Commitment fees	3	7
Other	3	7
Total non-operating expenses	93	36
Ordinary profit	3,581	3,233
Extraordinary income		
Gain on sale of non-current assets	0	-
Gain on sale of investment securities	-	49
Total extraordinary income	0	49
Extraordinary losses		
Loss on sale and retirement of non-current assets	65	6
Total extraordinary losses	65	6
Profit before income taxes	3,516	3,276
Income taxes - current	767	701
Income taxes - deferred	100	61
Total income taxes	868	762
Profit	2,648	2,514

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings		
					Reserve for tax purpose reduction entry	Open innovation Promotional tax system deposit	General reserve
Balance at beginning of period	6,897	7,892	183	338	58	-	4,330
Changes during period							
Reversal of reserve for tax purpose reduction entry					(3)		
Dividends of surplus							
Provision of reserve for tax purpose reduction to promote open innovation							
Profit							
Purchase of treasury shares							
Disposal of treasury shares			58				
Cancellation of treasury shares			(242)				
Net changes in items other than shareholders' equity							
Total changes during period	-	-	(183)	-	(3)	-	-
Balance at end of period	6,897	7,892	-	338	54	-	4,330

	Shareholders' equity			Valuation and translation adjustments	Share acquisition rights	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities		
	Other retained earnings					
	Retained earnings brought forward					
Balance at beginning of period	32,654	(3,095)	49,259	28	380	49,667
Changes during period						
Reversal of reserve for tax purpose reduction entry	3		-			-
Dividends of surplus	(1,927)		(1,927)			(1,927)
Provision of reserve for tax purpose reduction to promote open			-			-

	Shareholders' equity			Valuation and translation adjustments	Share acquisition rights	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities		
	Other retained earnings					
	Retained earnings brought forward					
innovation						
Profit	2,648		2,648			2,648
Purchase of treasury shares		(4,636)	(4,636)			(4,636)
Disposal of treasury shares		32	91			91
Cancellation of treasury shares	(1,771)	2,013	-			-
Net changes in items other than shareholders' equity				7	(22)	(14)
Total changes during period	(1,046)	(2,590)	(3,824)	7	(22)	(3,839)
Balance at end of period	31,608	(5,686)	45,434	35	358	45,828

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings		
					Reserve for tax purpose reduction entry	Open innovation Promotional tax system deposit	General reserve
Balance at beginning of period	6,897	7,892	-	338	54	-	4,330
Changes during period							
Reversal of reserve for tax purpose reduction entry					(3)		
Dividends of surplus							
Provision of reserve for tax purpose reduction to promote open innovation						225	
Profit							
Purchase of treasury shares							
Disposal of treasury shares							
Cancellation of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	-	(3)	225	-
Balance at end of period	6,897	7,892	-	338	51	225	4,330

	Shareholders' equity			Valuation and translation adjustments	Share acquisition rights	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities		
	Other retained earnings					
	Retained earnings brought forward					
Balance at beginning of period	31,608	(5,686)	45,434	35	358	45,828
Changes during period						
Reversal of reserve for tax purpose reduction entry	3		-			-
Dividends of surplus	(1,799)		(1,799)			(1,799)
Provision of reserve for tax purpose reduction to promote open innovation	(225)		-			-
Profit	2,514		2,514			2,514
Purchase of treasury shares		(2,672)	(2,672)			(2,672)
Disposal of treasury shares	38	35	73			73
Cancellation of treasury shares	(1,567)	1,567	-			-
Net changes in items other than shareholders' equity				(35)	-	(35)
Total changes during period	(1,035)	(1,069)	(1,883)	(35)	-	(1,918)
Balance at end of period	30,572	(6,756)	43,551	0	358	43,910

(4) Notes to Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant accounting policies)

1. Valuation standards and methods for Significant Securities

(1) Held-to-maturity debt securities

Stated at amortized cost (straight-line method)

(2) Shares of subsidiary

Cost method by the moving-average method

(3) Available-for-sale securities

Securities other than shares, etc., which do not have a market price

Market value method

(The valuation difference is directly included in net assets, and cost of sales is determined by the moving-average method.)

Shares, etc., which do not have a market price

Principally cost method by the moving-average method

2. Valuation standards and methods for derivative financial instruments

Market value method

3. Valuation standards and methods for inventories

(1) Merchandise and finished goods, raw materials, and work in process

Cost method by the moving-average method (carrying amount is written down due to decreased profitability) is adopted.

(2) Supplies

Cost method by the last purchase price method (carrying amount is written down due to decreased profitability) is adopted.

4. Depreciation method of non-current assets

(1) Property, plant and equipment (excluding leased assets)

Declining-balance method

However, the straight-line method is adopted for buildings purchased on or after April 1, 1998 (excluding facilities attached to buildings), and for facilities attached to buildings and structures purchased on or after April 1, 2016.

Major useful lives are as follows:

Buildings	15-38 years
Structures	7-40 years
Machinery and equipment	8 years
Vehicles	4-6 years
Tools, furniture and fixtures	2-15 years

(2) Intangible assets (excluding leased assets)

Straight-line method

For internal use software, the straight-line method based on amortization over the internally estimated useful lives (5 years) is adopted.

(3) Leased assets

Leased assets are depreciated over the lease terms as useful lives using the straight-line method without any residual value.

5. Accounting standards for significant reserves and allowances

(1) Allowance for doubtful accounts

In order to prepare for possible credit losses on trade receivables, etc., the estimated amount of non-recoverable receivables based on the historical loss rate for general receivables and specific collectability for specific doubtful receivables are recorded.

(2) Provision for bonuses

In order to prepare for payments of bonuses to the employees, the estimated payable amount to be used in the future attributable to the current fiscal year is recorded as provision for bonuses.

(3) Provision for retirement benefits

In order to prepare for employees' retirement benefits, provision for retirement benefits is recorded based on the retirement benefit obligations and estimated plan assets as of the current fiscal year-end.

1) Period attribution method for estimated retirement benefits

In calculating retirement benefit obligations, the method of attributing the estimated amount of retirement benefits to the periods up to the end of the current fiscal year is based on the benefit formula basis.

2) Accounting method for actuarial difference and past service cost

Past service cost is expensed using the straight-line method over a period of definite years (3 years) within the employees' average remaining service years at the time when it is incurred.

Actuarial difference is expensed at the amount divided proportionally using the straight-line method over a period of definite years (12 years) within the employees' average remaining service years in each fiscal year when it is incurred, commencing from the fiscal year following the fiscal year in which the difference is incurred.

6. Revenue and expense recognition standards

(1) Sales of merchandise and finished goods

Sales of merchandise and finished goods include the manufacture and sale of clinical diagnostic reagents and clinical diagnostic equipment. The Company principally recognizes revenue from sales of merchandise and finished goods when making delivery of the goods to a customer as it satisfies a performance obligation by transferring control of the goods to a customer based on receipt of the goods. For clinical diagnostic equipment which requires installation at the time of sale, the Company recognizes revenue at inspection of installed equipment as it satisfies a performance obligation by transferring control of the goods to a customer based on inspection by a customer.

(2) Royalty revenue

Royalty revenue includes upfront payment based on license agreement etc., milestone revenues, and running royalty calculated based on net sales etc. For upfront payment, the Company recognizes revenue at customers' receipt of the right which the Company promised to transfer to a customer based on the contract. For milestone revenues, the Company recognizes revenue at achievement of the milestone which was defined in the contract. For running royalty calculated based on net sales etc., the Company recognizes revenue when sales or usage occur, or it satisfies a performance obligation which sales-based or usage-based royalty is allocated, whichever is later.

7. Translation of significant foreign currency denominated assets and liabilities into Japanese yen

Foreign currency denominated monetary receivables and payables are translated into Japanese yen using the spot exchange rate on the closing date and the translation difference is charged or credited to income.

8. Hedge accounting method

(1) Hedge accounting method

The appropriation procedure is adopted to foreign exchange fluctuation risk hedging that satisfy the relevant requirements.

(2) Hedging instruments and hedged items, hedging policy

The risks of foreign exchange fluctuation are hedged in accordance with the Company's rules.

Hedging instruments and hedged items where hedge accounting was applied for the consolidated fiscal year under review are as follows.

Hedging instruments: Forward exchange contracts

Hedged items: Foreign currency denominated accounts payable, foreign currency denominated accounts payable - other

(3) Assessment of hedge effectiveness

For forward exchange contracts, hedged items with the same date and amount and denominated in the same currency are allocated to each account payable, accounts payable – other. Therefore, the correlation by foreign exchange fluctuation thereafter is ensured completely, and the assessment of hedge effectiveness is omitted.

9. Accounting policies for retirement benefits

The accounting methods of unrecognized actuarial gain and loss and unrecognized past service cost for retirement benefits differ from those of the consolidated financial statements.

(Changes in presentation)

(Non-consolidated Financial Statements)

"Electronically recorded monetary claims - operating," which were included in "Notes receivable - trade " under "Current assets" in the previous fiscal year, are presented independently from the current fiscal year to enhance clarity. To reflect this change in presentation, the Company has reclassified its financial statements for the previous fiscal year.

As a result, 804 million yen presented in "Notes receivable - trade "in the balance sheet for the previous fiscal year has been reclassified to "Notes receivable - trade " of 1 million yen and "Electronically recorded monetary claims - operating," of 802 million yen.

(Changes in accounting estimates)

(Change in estimates of asset retirement obligations)

During the current fiscal year, as a 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 65 million yen each for the current fiscal year.

(Notes to Non-consolidated Balance Sheets)

- *1. Regarding accounting policies for notes maturing on the last day of the fiscal year, although the last day of the fiscal year under review was a holiday for financial institutions, the notes are treated as if the settlement was made on the maturity date.

Notes maturing on the last day of the fiscal year under review are as follows.

	(Million yen)	
	As of March 31, 2024	As of March 31, 2025
Electronically recorded monetary claims - operating	17	-

2. Overdraft contract and commitment line are concluded for efficient procurement of working capital. Balance of unexecuted loans based on these contracts are as follows.

	(Million yen)	
	As of March 31, 2024	As of March 31, 2025
Total of overdraft maximum amount and commitment lines	4,600	8,600
Outstanding borrowings	-	-
Difference	4,600	8,600

(Notes to Non-consolidated Statements of Income)

*1. Approximate percentages of expenses belonging to selling expenses are 45% for the previous fiscal year, 43% for the fiscal year under review, and approximate percentages of expenses belonging to general and administrative expenses are 55% for the previous fiscal year, 57% for the fiscal year under review.

The main expense items and amounts of selling, general and administrative expenses are as follows.

	(Million yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Salaries	2,464	2,421
Provision for bonuses	353	339
Retirement benefit expenses	112	53
Legal welfare expenses	567	565
Travel and transportation expenses	535	469
Packaging and transportation expenses	804	863
Research and development expenses	3,916	4,386
Depreciation	464	407
Provision of allowance for doubtful accounts	(1)	(0)

*2. Main losses on sales and retirement of non-current assets are as follows.

	(Million yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Buildings	14	0
Structures	0	-
Machinery and equipment	0	0
Vehicles	0	-
Tools, furniture and fixtures	0	5
Software	3	0
Dismantlement cost	46	-
Total	65	6

(Significant subsequent events)

At a meeting of the Board of Directors held on May 13, 2025, the Company resolved to transfer all equity interests in our company's consolidated subsidiary, EIKEN CHINA CO., LTD. For details, please refer to "Notice Concerning Transfer of Equity Interests of Consolidated Subsidiaries" announced on May 13, 2025.

5. Others

(1) Changes in Officers

1) Changes in CEO

Name	New Job Title	Job Title	Scheduled transfer date
Yuji Segawa	President & CEO and Director	Executive Officer, Executive Office Manager for the President	June 24, 2025
Tsugunori Notomi	Chairperson and Director	President & CEO and Director	June 24, 2025

※Please refer to the "Notice Concerning Changes in Representative Executive Officers and Executive Officers" announced on February 21, 2025.

2) Changes in Other Officers

(Candidate for New Director)

Name	New Job Title	Job Title	Scheduled transfer date
Yasuyoshi Mori	Director and Senior Vice President and Executive Officer General Manager of the R&D Division	Executive Officer, General Manager of the R&D Division	June 24, 2025
Rie Ueki	Outside Officers	-	June 24, 2025
Yuta Kinose	Outside Officers	-	June 24, 2025
Tatsuki Toda	Outside Officers	-	June 24, 2025

(Retiring Directors)

Name	Job Title	Scheduled retirement date
Morifumi Wada	Chairperson of the Board	June 24, 2025
Hajime Watari	Director and Senior Vice President and Executive Officer Special Representative	June 24, 2025
Yukiya Hakozaki	Outside Officers	June 24, 2025

(2) Sales

Sales are described by breaking down sales by classes and types of products since the Group's business is a single segment.

Sales performance

Sales performance for the consolidated fiscal year under review described by product class and type is as follows.

(Million yen)

Name of class and type of product	For the fiscal year ended March 31, 2025	Change from the previous corresponding period (%)
Microbiological testing reagents	4,501	104.4
Urinalysis reagents	4,620	105.0
Immunological and serological reagents	22,540	103.8
Clinical chemistry reagents	573	99.6
Equipment and culture medium for food and environment related category	1,960	99.9
Other category	6,342	89.5
Total	40,539	101.2