



EIKEN CHEMICAL CO., LTD.

Financial Results for Q1 FY2025

(April 1, 2025 to June 30, 2025)

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

July 31, 2025

Financial Results for Q1 FY2025

Executive Summary

External Environment

- ✓ The impact of soaring global commodity prices, geopolitical risks, U.S. trade policies, and monetary policies of major countries
- ✓ Continued rise in costs such as logistics and raw material procurement due to the depreciation of the yen and high crude oil prices

The Company's Business Results

- ✓ Sales and profit increased year-on-year, driven mainly by strong performance in fecal immunochemical test (FIT) reagents, urinalysis and medical devices for overseas market.

Other

- ✓ Completion of new manufacturing building in Nogi Factory
- ✓ Transfer of equity interests of consolidated subsidiary "EIKEN CHINA CO., LTD."
- ✓ Initiatives to reinforcing earnings strength
- ✓ Completion of the acquisition of treasury shares announced on October 31, 2024 (2 million shares)
- ✓ Selected for the "FTSE Blossom Japan Index" for the first time

Consolidated Financial Results—YoY Change

	Q1 FY2024 Results	Q1 FY2025 Results	Amount of Change	Percentage of Change	Millions of yen	
					FY2025 Forecast Amount	Progress rate
Net sales	9,519	10,197	678	7.1%	42,200	24.2%
Cost of sales	5,566	6,094	528	9.5%	25,150	24.2%
Gross profit	3,953	4,103	150	3.8%	17,050	24.1%
SG&A expenses	3,369	3,302	(67)	(2.0%)	13,800	23.9%
Operating profit	583	800	217	37.2%	3,250	24.6%
Ordinary profit	641	813	172	26.8%	3,100	26.2%
Net profit	486	600	113	23.4%	3,770	15.9%
R&D expenses	1,049	973	(76)	(7.3%)	4,040	24.1%

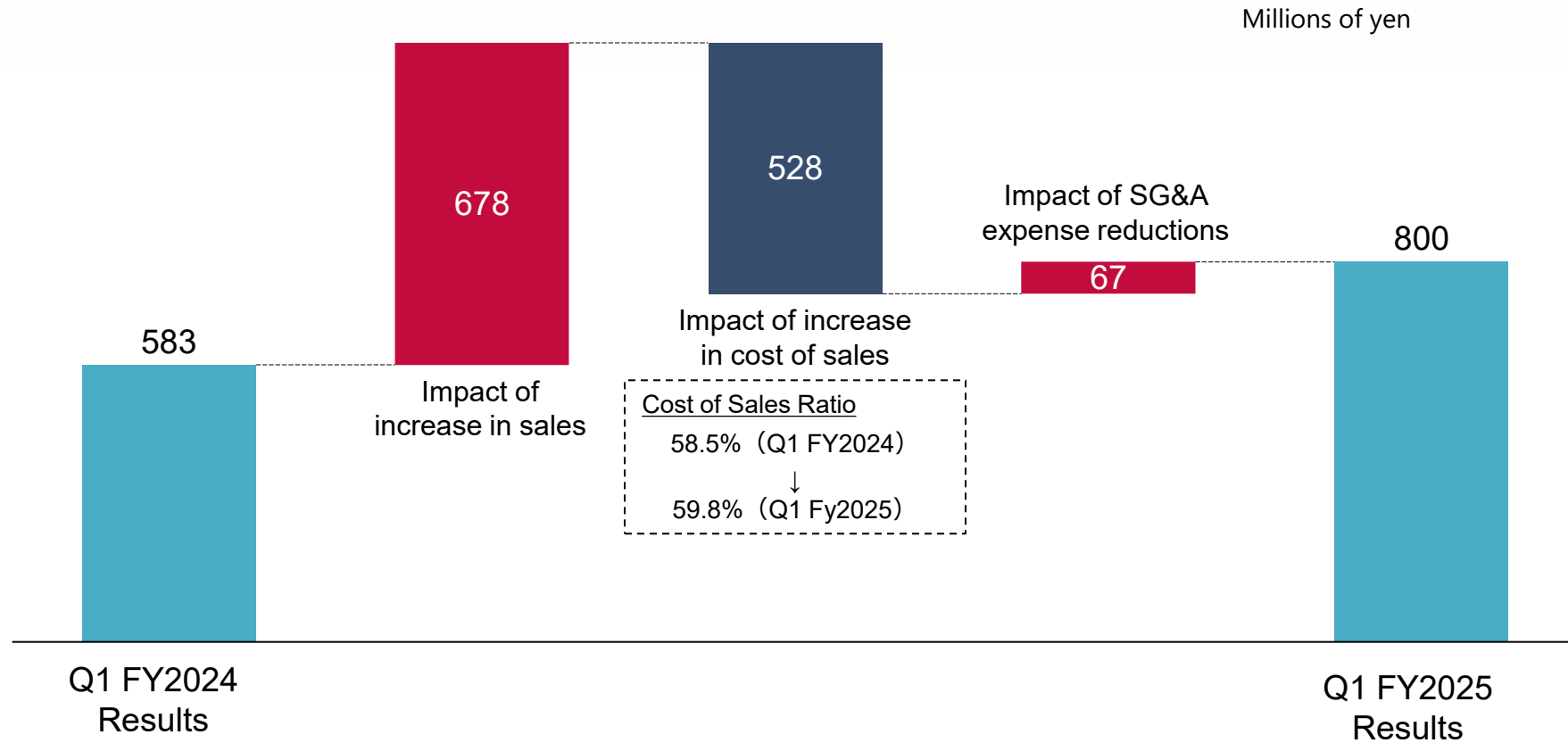
- Increased revenue and profit year-on-year, driven primarily by strong sales in overseas markets
- Expected to record an extraordinary gain of approximately 1.9 billion yen from the sale of subsidiary shares in the second quarter

Sales Results by Region —YoY Change

	Q1 FY2024 Results	Q1 FY2025 Results	Amount of Change	Percentage of Change	Millions of yen	
					FY2025 Forecast Amount	Progress rate
Fecal immunochemical tests (FIT)	3,120	3,450	329	10.6%	13,640	25.3%
Immunological and serological excluding FIT	2,481	2,505	23	1.0%	9,680	25.9%
Urinalysis	1,122	1,187	65	5.9%	4,740	25.0%
Microbiological	1,058	1,081	23	2.2%	4,900	22.1%
Clinical chemistry test	150	149	(1)	(0.8%)	610	24.4%
Equipment/ Food and Environment	512	473	(38)	(7.5%)	1,860	25.4%
Molecular test	232	391	159	68.8%	2,440	16.0%
Medical devices/Others	840	956	115	13.7%	4,330	22.1%
Total	9,519	10,197	678	7.1%	42,200	24.2%

- Strong performance in overseas sales of FIT, urinalysis and medical devices
- Sales of molecular test-related products increased due to increased demand for pertussis tests in Japan, and overseas growth slowed due to the impact of the shuttering of USAID compared to forecast.

Breakdown of Operating Profit

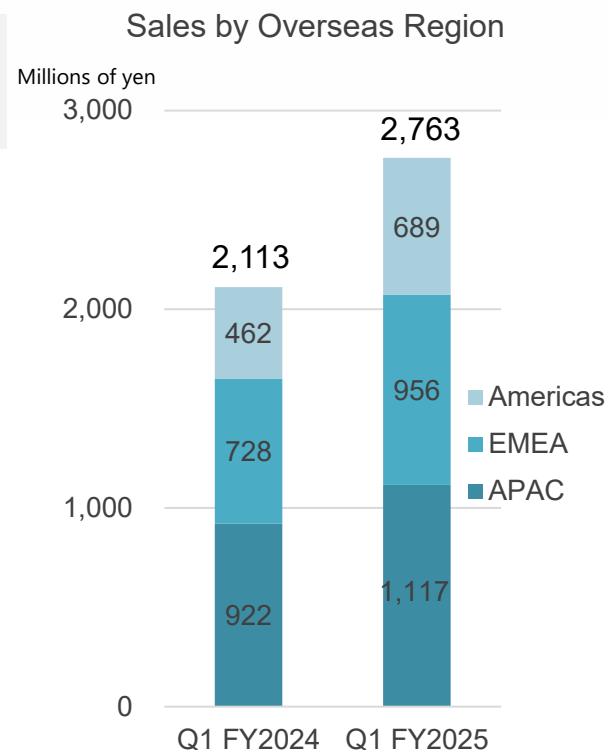


Main factor for the increase in cost of sales ratio: Change in the sales mix

Main item contributing to the decrease in SG&A expenses: R&D expenses down by 76 million yen

Sales Results by Region —YoY Change

	Q1 FY2024 Results	Q1 FY2025 Results	Amount of Change	Percentage of Change	Millions of yen	
					FY2025 Forecast	
					Amount	Progress rate
Domestic Sales	7,405	7,434	28	0.4%	30,150	24.7%
Overseas Sales	2,113	2,763	649	30.7%	12,050	22.9%
Overseas Sales Ratio	22.2%	27.1%	—	—	—	—
Total	9,519	10,197	678	7.1%	42,400	24.2%
Americas	462	689	227	49.2%	2,530	27.2%
EMEA	728	956	227	31.3%	5,260	18.2%
APAC	922	1,117	194	21.1%	4,260	26.2%

**Americas**

Continued strong performance in both FIT and medical devices.

EMEA

Despite a temporary decline in FIT sales in the same period last year, current performance remained solid across countries, supported by expanded target age groups and improved specimen container distribution methods.

Growth of Tuberculosis testing reagent (TB-LAMP) slower than full-year forecast due to the shuttering of USAID.

APAC

Continued strong performance in both urinalysis test strips and medical devices.

Americas: North and Central/South America

EMEA: Europe, Africa, the Middle East, and Russia (TB-LAMP for developing countries is included in the EMEA region)

APAC: Asia and Oceania [All sales of overseas urinalysis test strips (in partnership with Sysmex Corporation) are included in the APAC region]

Topics

1. **Completion of New Manufacturing Building in Nogi Factory**
2. **Transfer of Equity Interests of Consolidated Subsidiary "EIKEN CHINA CO., LTD."**
3. **Initiatives to Reinforcing Earnings Strength**
4. **Completion of the Acquisition of Treasury Shares**
5. **Selected for the "FTSE Blossom Japan Index" for the first time**

1. Completion of New Manufacturing Building in Nogi Factory



Name: ICPP (Immunochemical Product Plant)

Completion: June 30, 2025

Operation: September 2025

(Start of operations: Scheduled for February 2026)

Total investment: 6.5 billion yen

Products produced: Immunological and serological reagents

Purpose of construction

**Renewal of facilities and
enhancement of
production system**

For FIT, Latex reagents and
POCT

**Stable supply and
improved production
efficiency**

By Strengthening production
capacity, promoting automation
and labor-saving

**Integration and DX of staff
operations**

By improvement in production
cost per person, accelerate
design-to-manufacturing

2. Transfer of Equity Interests of Consolidated Subsidiary "EIKEN CHINA CO., LTD."

Target Consolidated Subsidiary	EIKEN CHINA CO., LTD. 1058 Ha Lei Road, Zhangjiang Hi-Tech Park, Pudong new District, Shanghai, P.R.C.
Date of Execution of the Transfer Agreement	July 31, 2025
Date of Transfer of Equity Interests	September 2025 (planned)

Future Prospects

- ✓ Following the transfer of equity interest, EIKEN CHINA CO., LTD. (Eiken China) will be excluded from our consolidated subsidiaries.
- ✓ Expected to record an extraordinary gain of approximately 1.9 billion yen from the sale of subsidiary shares in the consolidated financial results for FY2025
- ✓ Already factored into the earnings forecast for FY2025

Reason for Transfer of Equity Interest

As part of our ongoing review of the product portfolio, we have determined that transferring the raw materials processing conducted at Eiken China to our Nogi Factory will lead to improved production efficiency. Furthermore, by switching from indirect sales through Eiken China to direct sales of our products, we expect to enhance management efficiency. Based on these considerations, we have concluded that the transfer of our equity interest in Eiken China will contribute to the enhancement of our company's corporate value.

3. Initiatives to Reinforcing Earnings Strength

	Measures	Operating profit margin Improvement target for FY2027	Progress in Q1 FY2025
Cost reductions	<ul style="list-style-type: none"> Liquidate and withdraw from low-earning product groups Consolidate and eliminate product dosage forms Increase accuracy of demand forecasts Reduce plant loss costs Consolidate production sites for urinalysis tests and immunological and serological tests into Nogi Plant Work toward data-driven smart factories 	+ 2.0 pt	<ul style="list-style-type: none"> ✓ Started sorting out low-earning product groups and product dosage forms, and revised prices or abolished for some products ✓ Consolidated the manufacturing base for urinalysis test at the Nogi Factory and completed the transfer of manufacturing ✓ Started study for automation of production processes in immunological and serological tests products
SG&A expense reductions	<ul style="list-style-type: none"> Optimize outsourced research expenses based on product portfolio Optimize staffing structures and plans to raise labor productivity 	+ 3.2 pt	<ul style="list-style-type: none"> ✓ Redeployment of R&D personnel based on product portfolio

■ CEO's Caravan Tour Launches Across All Sites (July 2025)

- ✓ CEO Segawa is personally engaging with employees to explain the company's ROIC-driven management approach.
- ✓ 22 town hall meetings and 29 roundtable discussions are planned during the current fiscal year.



4. Completion of the Acquisition of Treasury Shares

Acquisition of treasury shares pursuant to the resolution of the Board of Directors meeting held on October 31, 2024, has now been completed.

The cumulative total of treasury shares acquired pursuant (as of July 7, 2025)

- Total number of shares acquired 2,000,000 shares
- Total amount of shares acquired 4,344,992,400 yen

Reference Details of resolution on acquisition of treasury stock (announced on October 31, 2024)

- Total number of shares that may be purchased : 2,000,000 shares (maximum)
- Total purchase cost : 5,000 million yen (maximum)
- Type of shares to be purchased : Common shares
- Purchase period : November 1, 2024 to July 31, 2025
- Purchase method : Market purchase on the Tokyo Stock Exchange based on a discretionary trading contract regarding acquisition of treasury shares

5. Selected for the "FTSE Blossom Japan Index" for the first time

In June 2025, selected for the "FTSE Blossom Japan Index", a key benchmark for ESG investment, for the first time
Selected for the "FTSE Blossom Japan Sector Relative Index" for three consecutive years

First Selection



FTSE Blossom Japan Index

Selected for Three Consecutive Years



FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Index:

Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed as an industry neutral benchmark that reflects the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices in Japan. It is widely used to create and evaluate funds for sustainable investments and other financial products.

FTSE Blossom Japan Sector Relative Index:

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 and Sustainability : <https://www.eiken.co.jp/en/sustainability/>

ESG data (As of July 2025) : https://www.eiken.co.jp/en/sustainability/esg_data/

Saving Your Health



EIKEN CHEMICAL CO.,LTD.

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.

