

# **Medium-Term Management Plan “H.U.2030” (FY2025-FY2029)**

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May 19, 2025

**H.U. Group Holdings, Inc.**

(TSE: 4544)

# Agenda

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## **1. Review of the Previous Medium-term Management Plan and Long-term Vision**

## **2. Positioning and Key Initiatives of Medium-term Management Plan “H.U.2030”**

- Further acceleration of integrated management
- Transformation into a highly profitable structure  
~Strategy of each business~
- Optimizing capital allocation and improving capital efficiency

## **3. Future Management Structure**

# **Review of the Previous Medium-term Management Plan and Long-term Vision**

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# Results of Previous Medium-term Plan

■ Key indicators and measures delayed due to the impact of COVID-19 and other factors

Quantitative aspect		Target	Results	Evaluation			Target <sup>3</sup>	Results <sup>3</sup>	Evaluation
	Net sales CAGR <sup>1</sup>	6% or more	5.2%	<div><div></div><div></div><div></div></div>		Operating cash flow	¥150 B or more	¥161.9 B	<div><div></div><div></div><div></div></div>
	EBITDA margin	18% or more	9.6%	<div><div></div><div></div><div></div></div>		Free cash flow <sup>2</sup>	¥50 B or more	¥41.1 B	<div><div></div><div></div><div></div></div>
	OP margin	10% or more	1.1%	<div><div></div><div></div><div></div></div>					
	ROE	12% or more	2.0%	<div><div></div><div></div><div></div></div>	Financial discipline	Interest-bearing debt (excl. leases) /EBITDA	1.3x or less	1.26x	<div><div></div><div></div><div></div></div>
	ROIC	8% or more	0.8%	<div><div></div><div></div><div></div></div>		Equity ratio (excl. real estate finance)	40% or more	49.0%	<div><div></div><div></div><div></div></div>

1: 5 years (FY2019-FY2024)    2: Leases are not included in investment cash flows    3: 5 year cumulative

Qualitative aspect	● AkirunoCube: Despite delays, fully operational from April	<div><div></div><div></div><div></div></div>
	● Fixed cost reductions not achieved, profitability improvement remains a challenge	<div><div></div><div></div><div></div></div>
	● Group integration strategy is progressing and tangible results starting to appear	<div><div></div><div></div><div></div></div>
	● CDMO: Set ready for growth with expanding partners and lineup	<div><div></div><div></div><div></div></div>

# Review of Previous Medium-term Plan and Future Challenges

- While there were accomplishments, challenges became clear  
⇒The new medium-term plan's themes are **"resolving challenges"** and **"harvesting the rewards of investment"**

## Review of Previous Medium-term Plan

LTS

- Delay of AkirunoCube fully operational
- Below-target fixed cost reductions and profitability improvement
- Regional lab restructuring (GP<sup>1</sup> strategy revised)
- Increase advanced test items such as gene-related testing

IVD

- Lumipulse installations up in Japan, but base growth flat
- CDMO achieved high-level growth with expanding new partnerships
- Launched new AD<sup>2</sup>-related testing items in NEURO
- Implemented "Selection and Concentration" strategy and optimized cost structure

New Areas

• Group Integration

- Preparation of healthcare and ICT businesses launch

- Quickly built COVID-19 testing system (PCR testing and antigen test reagents) using group synergies

## Challenges to be addressed

- Maximize AkirunoCube function and capability
- Selection and Concentration
  - Focus on the hospital clients
  - GP: Integrate 3 companies beyond SRL
- Lab restructuring in final phase, including suspend New Kansai Lab project
- Profitability improvement in line with profit growth

Further focus on the core fields and accelerate growth

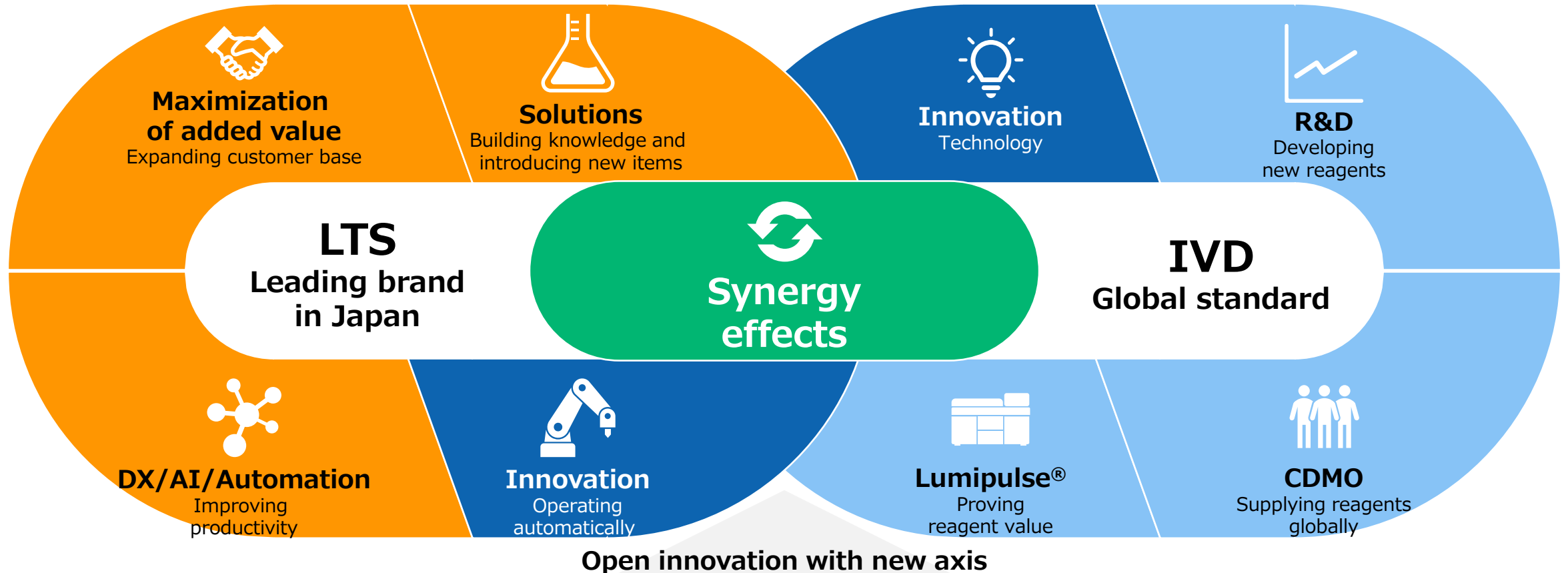
- CDMO: Deliver early sales contribution
- NEURO: Expand the lineup further
- Lumipulse Japan: Strengthen sales force and products appeal

- Market creation via medical DX, PHR and customer base
- Establish and grow businesses in PSD (pre-symptomatic disease) and healthcare

- Strengthen integrated management based on proven success, further leveraging group synergies

# Our Strengths

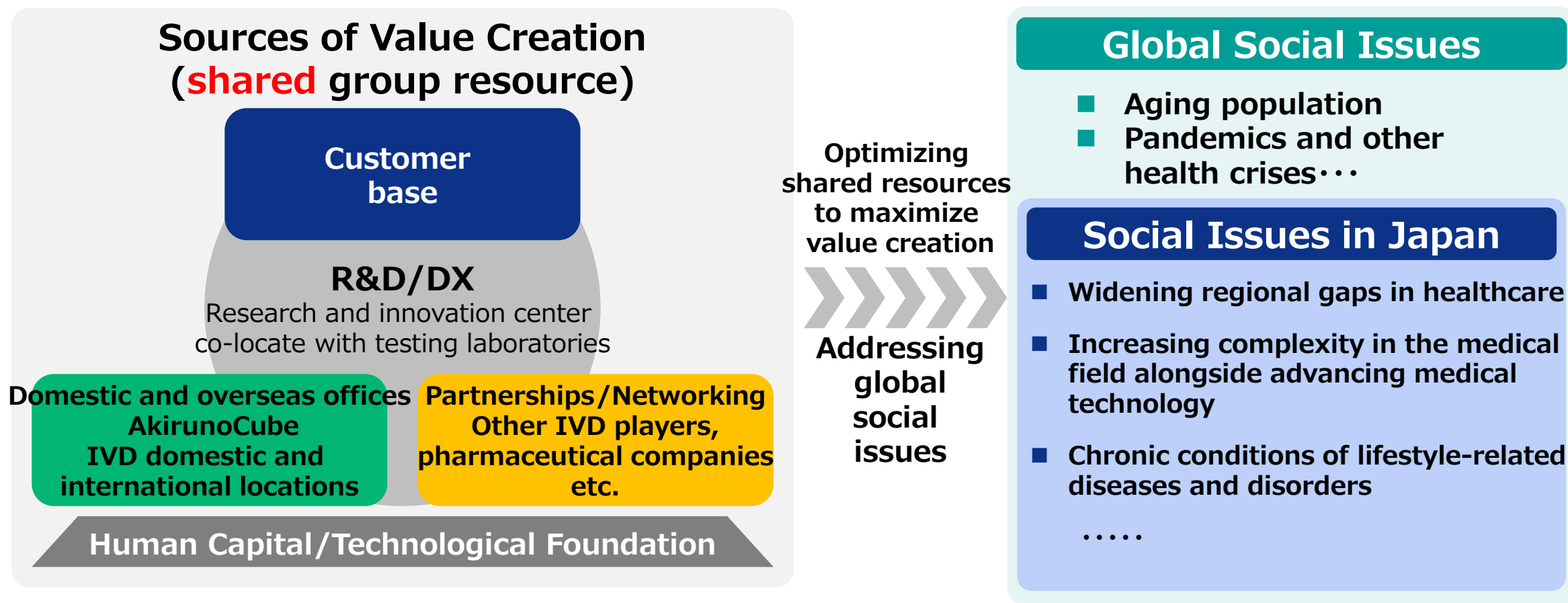
As one of the few groups integrating both LTS and IVD businesses,  
our greatest strength lies in creating **unique synergies**  
that deliver customer value



**Corporate R&D and Innovation (H.U. Group Research Institute)**

# Sources of Value Creation for Solving Social Issues

- Our value creation comes from **shared** group resources, based on human capital, technological foundation and R&D/DX, enabling diverse products and services
- Aiming to address global social issues through our sources of value creation



# Review of Vision

## Mission

Create new value in healthcare and thereby contribute to human health and the future of medical care



Maximize the use of the Group's **shared** management resources

## Vision

Solve global social issues through "Collaboration", "Challenge", and "Innovation" leveraging H.U. Group assets and resources



# Mission, Vision and Materiality

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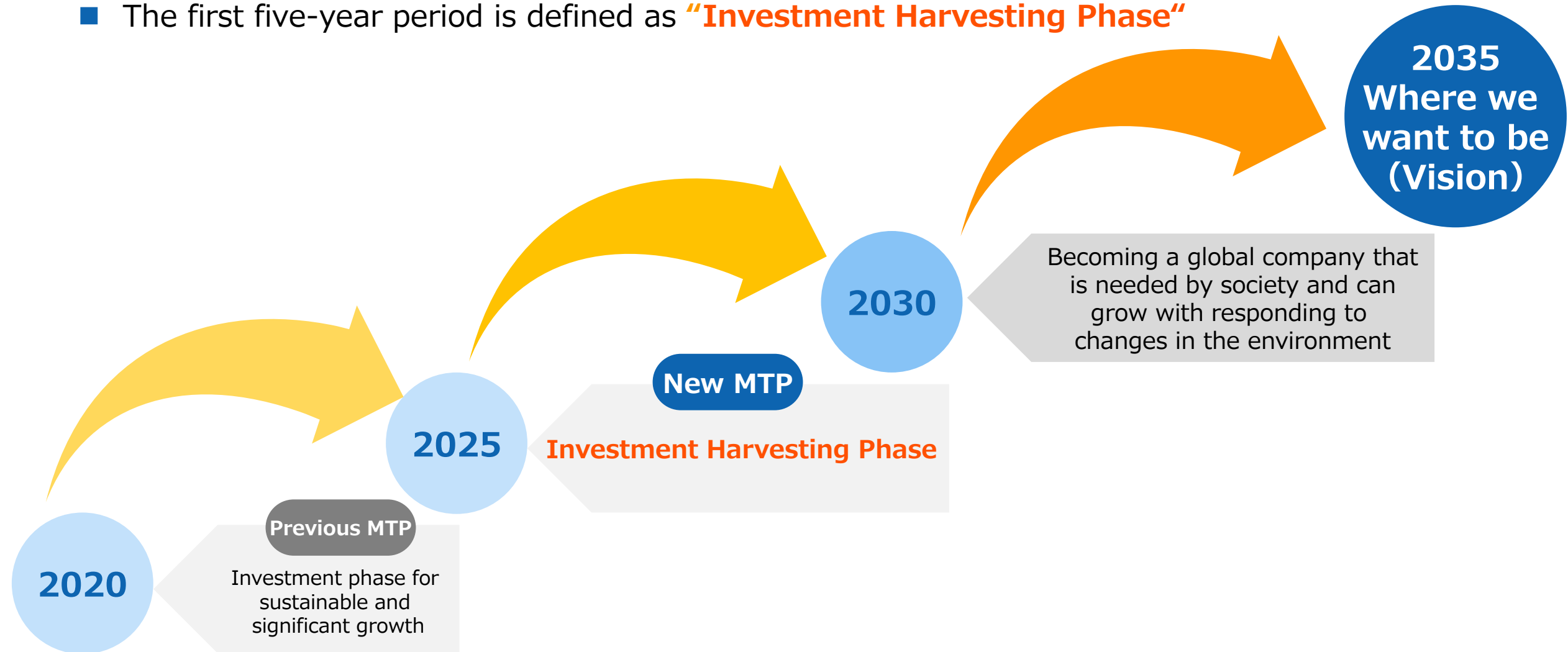


# **Positioning and Key Initiatives of Medium-term Management Plan “H.U.2030”**

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# Positioning of the New Medium-term Management Plan

- Building on our achievements over the past five years, the vision represents **where we want to be in 10 years**
- The first five-year period is defined as **“Investment Harvesting Phase”**



# Group-wide Key Initiatives in the New Medium-Term Plan

**1 Further acceleration of integrated management**

**2 Transformation into a highly profitable structure**

**3 Optimizing capital allocation and improving capital efficiency**

# Overview of the Group-wide Key Initiatives

## 1 Further acceleration of integrated management

- Market creation by LTS/IVD simultaneous introduction of new items (NEURO)
- In-house production and sales outside utilizing group's technology
- Maximizing value from the Group's customer asset

## 2 Transformation into a highly profitable structure

- **LTS** Maximizing AkirunoCube's functionality to enhance productivity and profitability
- **LTS** Leveraging DX to drive business process reform
- **IVD** Growth and expansion of CDMO business
- **IVD** Development and expansion of new unique items (incl. NEURO, ultrasensitive)
- **HS** Expansion of high-value-added operations and off-site service

## 3 Optimizing capital allocation and improving capital efficiency

- Disciplined capital allocation through a balanced portfolio strategy and ROIC accountability

# Further Acceleration of Integrated Management

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# Further Acceleration of Integrated Management

## Market creation by LTS/IVD simultaneous introduction of new items

- Expand the success experience during the pandemic (market creation via integration) to other areas (Neuro, etc.)
- Gain the benefits of first mover advantage

## In-house production and sales outside utilizing group's technology

- Introduction of high-value added testing items directly linked to diagnosis and medical treatment
- Stable reagent supply (independent of overseas suppliers)
- Cost advantage of in-house reagent production
- Expansion of Group revenue through external sales

## Maximizing value from the Group's customer base

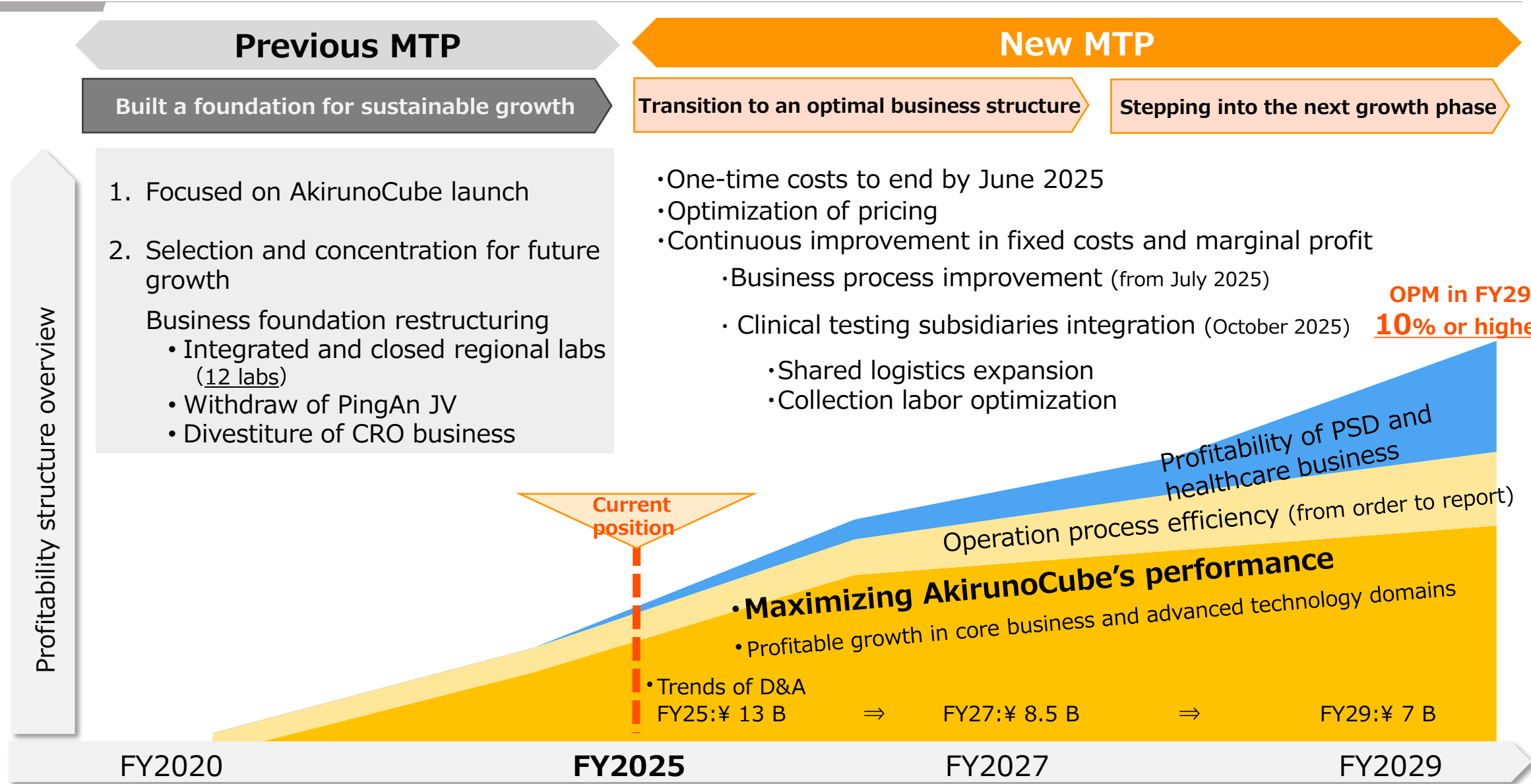
- Further accelerating growth by leveraging the mutual customer base of LTS and IVD
- Maximizing the value provided to customers

# **Transformation into a Highly Profitable Structure ~Strategy of Each Business~**

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# LTS: Getting Back on Track of Growth



# LTS: Growth Strategy

- Maximizing AkirunoCube's performance
- Differentiation and profitability improvement through expansion of unique lineup

## FY2029 targets

Net sales CAGR <sup>1</sup>	: <b>3% or more</b>
OP margin	: <b>10% or more</b>
SG&A	: <b>-9pt <sup>2</sup></b>
Depreciation	: <b>-37pt <sup>2</sup></b>

FY2025

FY2026

FY2027

FY2028

FY2029

### Operational process improvement and quality improvement in esoteric tests

Improving quality and productivity by leveraging DX and unique effort<sup>3</sup> in individual testing  
(gene, pathology, chromosome, germ, manual testing, etc.)

### Streamlining laboratory operations centered around AkirunoCube (General testing labs will be under selection and concentration as well as alliance)

### Expanding in-house developed nucleic acid extraction reagent (primarily infectious diseases)

### Development and launch of new items in line with changing treatment strategies (4 items underway)

Maximizing  
AkirunoCube's  
performance

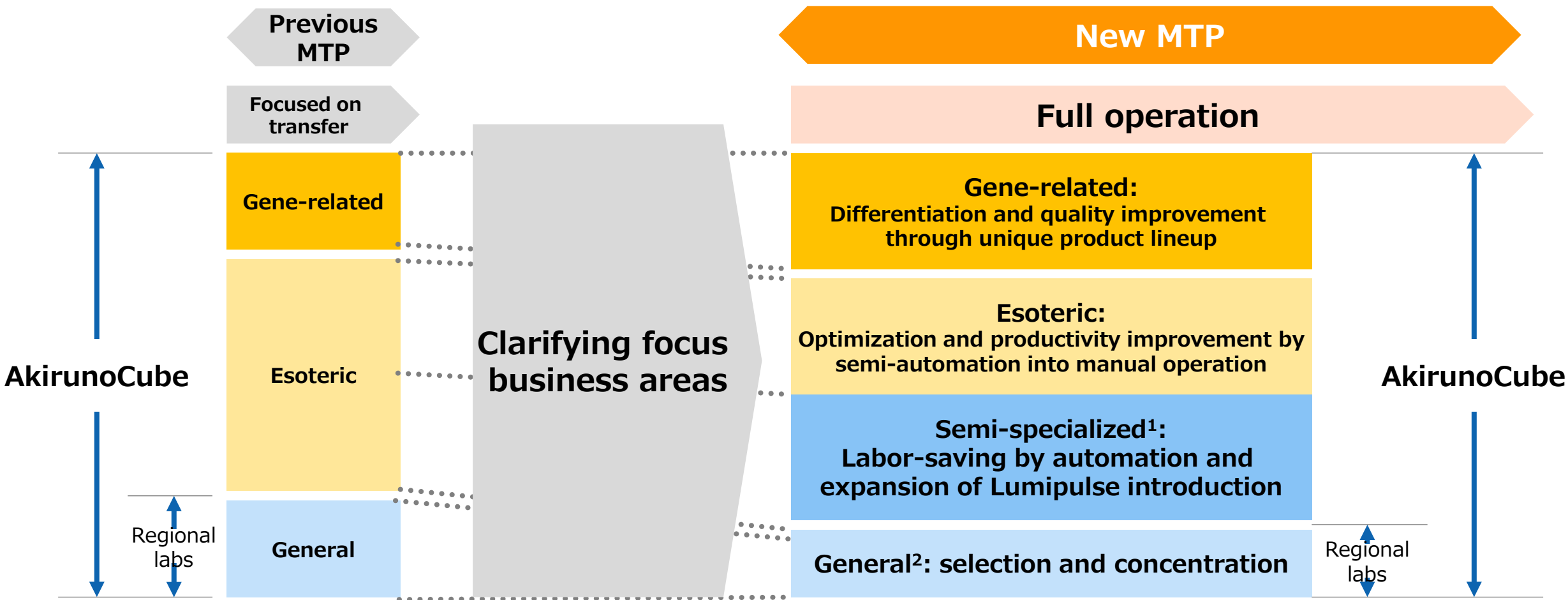
1. 5 years CAGR during FY2024-FY2029

2. Compared to FY2024

3. Utilization of 3D printer, etc.

# LTS: AkirunoCube Overview

## Clarifying focus business areas



1. Test items related to immunochemistry, allergy, infectious disease, etc.  
2. Test items related to urine/feces, hematology, biochemistry

# LTS: Maximizing AkirunoCube's performance

## Achievements of previous MTP

### Streamlining of reception<sup>1</sup>

- Productivity improved by 40%
- Labor-saving optimization in pre-processing by ▲27%



Automated conveyor line



## Outlook of new MTP

### Optimizing processes and improving efficiency by leveraging testing order data

#### Order data utilization in automated conveyor line

- ➡ Leveraging built know-how to implement optimal preprocessing and categorizing

#### Quality improvement through data-driven error visualization

- ➡ Reducing and preventing errors while minimizing downtime

Extend  
operational uptime  
(max 24 hours)

Processing  
capability  
**250kID or more**  
(2 times of FY24)

1. FY2023 result (compared to FY2019)

# LTS: Maximizing AkirunoCube's performance

## Achievements of previous MTP

### Streamlined complex manual process

- Introduced pre-testing processing system to esoteric testing area (Digital transformation)



### Expanded automated preprocessing in genetic pathology area

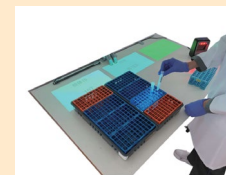
- Automated RNA extraction process (adoption rate of 98%)



## Outlook of new MTP

### Further streamlining of reception process

- ➡ Digital transformation of manual process  
Introduction of new technologies including projection mapping



### Semi-automation of EIA<sup>1</sup> testing Line

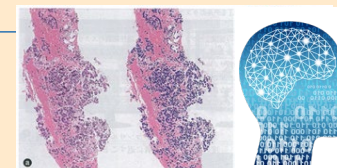
- ➡ Optimization of one-third manual implementation items  
(Equipment linkage from preprocessing to measurement processes)

### Automation of nucleic acid extraction process

- ➡ Meeting the rapidly growing demand for genetic testing

### Fully use of automation and AI

- ➡ Enhancing detection sensitivity and quality



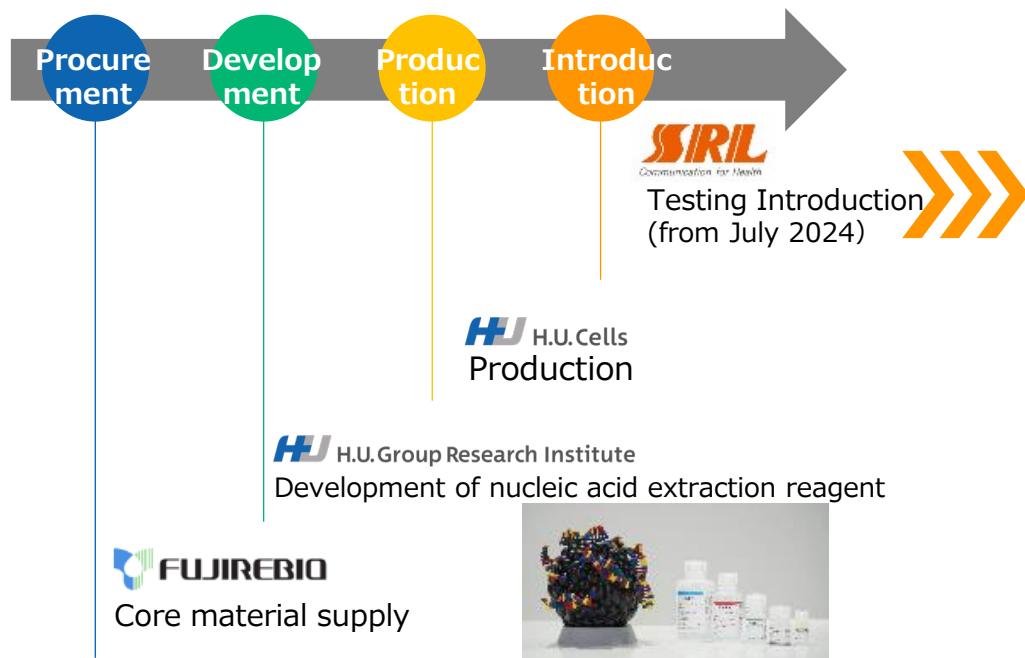
※ Enzyme immunoassay

# LTS: Differentiation through Unique Items

- Development of high value-added items with direct link to diagnosis and treatment
- Introduce unique items using group's unique technology

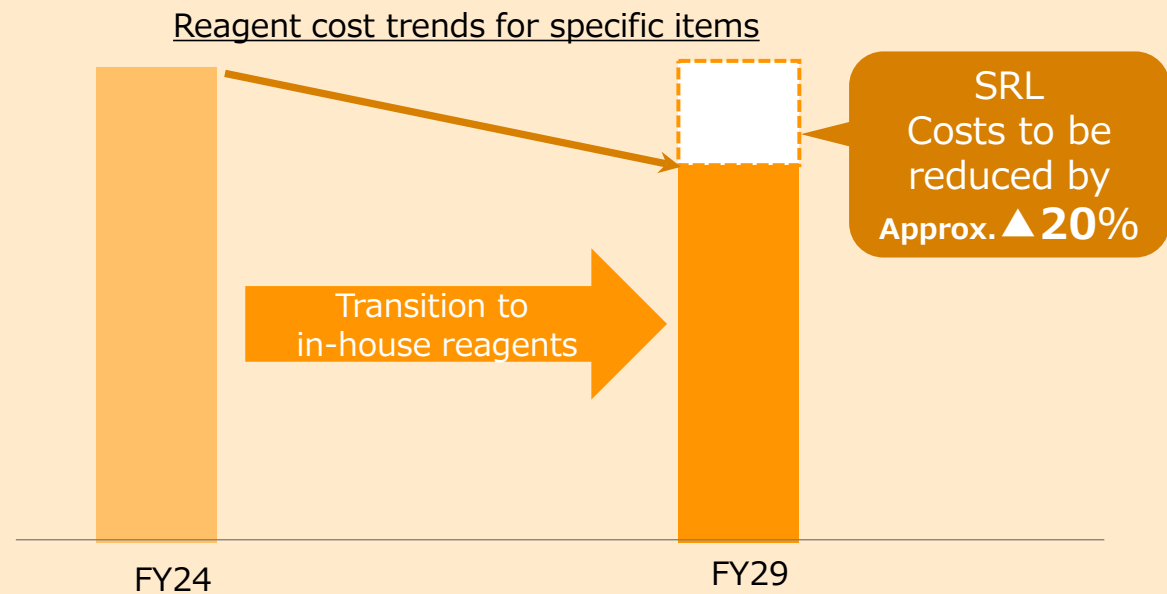
## Proved success of group integration

Introduction of nucleic acid extraction reagent



## To launch and introduce multiple RUO/IVD reagents by FY2029<sup>※1</sup>

- Unique product strategy with **4** in-house reagents underway
- Cost reduction and productivity enhancement



1. Primarily genetic testing

# IVD: Market Environment

## Market trends

### Horizontal specialization

- Global IVD players aim at reagent sales growth in immunoassay field
- With limited resources, IVD players leverage trusted partners for rapid development

### Changing markets in each country

- Government policy incentivizing domestic players
- Changes and tightening of regulations

### New testing areas

- Increasing need for AD※ related testing by multiple drugs approvals
- Increasing need for drugs and testing in NEURO field beyond AD



## Strategy

### CDMO

Expand business with  
“Global Partners”

### CDMO

Expand business with  
“Regional Partners”

Global expansion through  
“LUMIPULSE + CDMO”  
Leveraging **NEURO** Assets

※ AD : Alzheimer's Disease

# IVD: Global Strategy

- Contribute to global society and grow our market share with our unique contents developed in R&D, through combining own product and CDMO business model





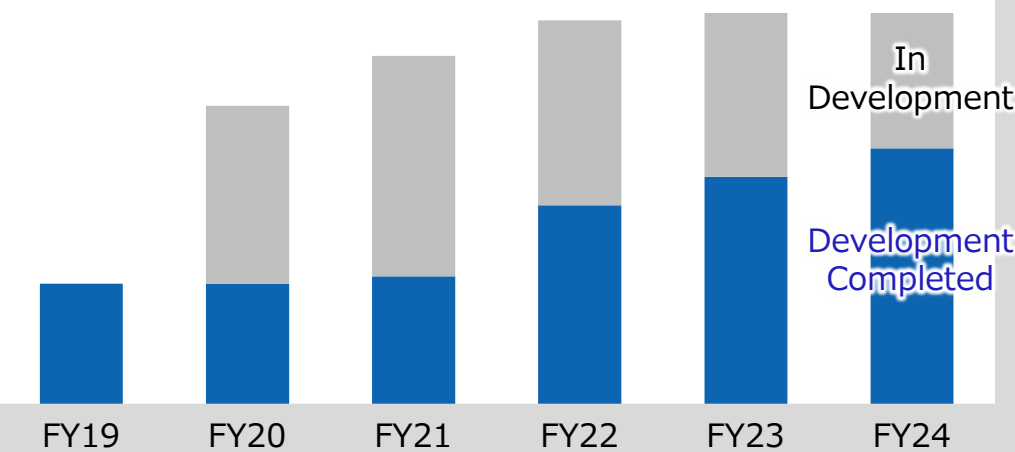
# IVD CDMO: Achievements and Prospects

## Achievements from the Previous MTP

### Increase in number of Global Partners and Projects

	<u>FY19</u>		<u>FY24</u>
■ Total Global Partners	2	➔	6
■ Total Projects for Global Partners	17	➔	55

Total Number of Projects for Global Partners



## Prospects for the new MTP

### Stable supply for existing partners and regional expansion with new partners

E.g. New regional partnership in India (Agappe)

#### ■ “Make in India” products:

Accelerate market development in India

- Local manufacturing started (approx. 40 items registered)

#### ■ Leverage partner’s brand, expansion into markets beyond India

- **South Asia, Southeast Asia, Middle East, Africa**



Filling line in operation in India

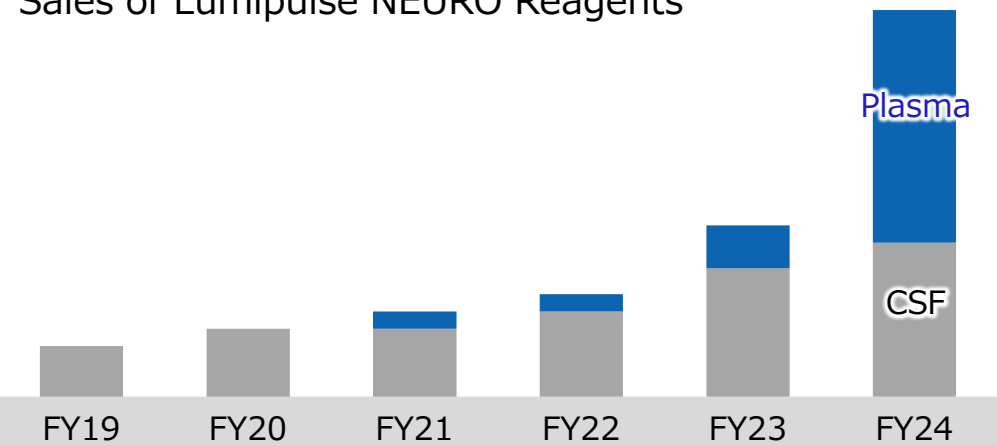
# IVD NEURO: Achievements and Prospects

## Achievements from the Previous MTP

Strong growth by rapid development and launch of Lumipulse AD markers

	<u>FY20</u>		<u>FY24</u>
■ Number of items (RUO/IVD)	4 items	➔	13 items
■ Lumipulse NEURO Annual Sales	¥0.6 B	➔	¥4.7 B

Sales of Lumipulse NEURO Reagents



## Prospects for the next MTP

Continue to develop AD market and development of beyond AD markers

- **AD Field:** Accelerate LUMIPULSE sales in US/EU with IVD registered products
  - Entering China and India through CDMO
- **Beyond AD:** Rapid development and launch of Lumipulse reagents (5 markers / year)
  - Leverage ADx's assets and capabilities



"ADxplorer" Kits developed by ADx

# IVD NEURO: Achievements and Prospects

- **Accumulated Evidence:** Published researches show the value of our products  
➔ Aiming at the “Global de facto standard”

A study using our product  
was published in Nature Medicine

## Plasma phospho-tau217 for Alzheimer’s disease diagnosis in primary and secondary care using a fully automated platform

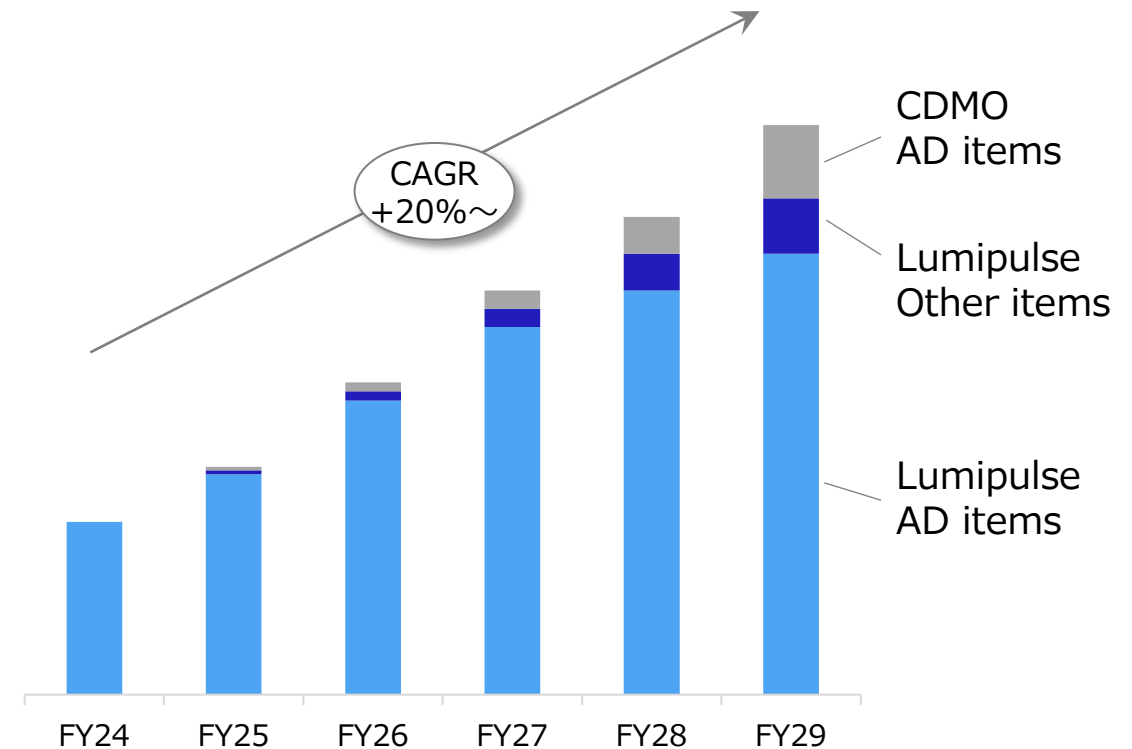
S. Palmqvist et al., *Nature Medicine*. Published online: 09 April 2025

### Abstract

Global implementation of blood tests for Alzheimer’s disease (AD) would be facilitated by easily scalable, cost-effective and accurate tests. In the present study, we evaluated plasma phospho-tau217 (p-tau217) using predefined biomarker cutoffs. The study included 1,767 participants with cognitive symptoms from 4 independent secondary care cohorts in Malmö (Sweden, n = 337), Gothenburg (Sweden, n = 165), Barcelona (Spain, n = 487) and Brescia (Italy, n = 230), and a primary care cohort in Sweden (n = 548). Plasma p-tau217 was primarily measured using the fully automated, commercially available, Lumipulse immunoassay. The primary outcome was AD pathology defined as abnormal cerebrospinal fluid Aβ42:p-tau181. Plasma p-tau217 detected AD pathology with areas under the receiver operating characteristic curves of 0.93–0.96. In secondary care, the accuracies were 89–91%, the positive predictive values 89–95% and the negative predictive values 77–90%.

\* Open Access; <https://www.nature.com/articles/s41591-025-03622-w>

## NEURO Growth Story (Lumipulse + CDMO)

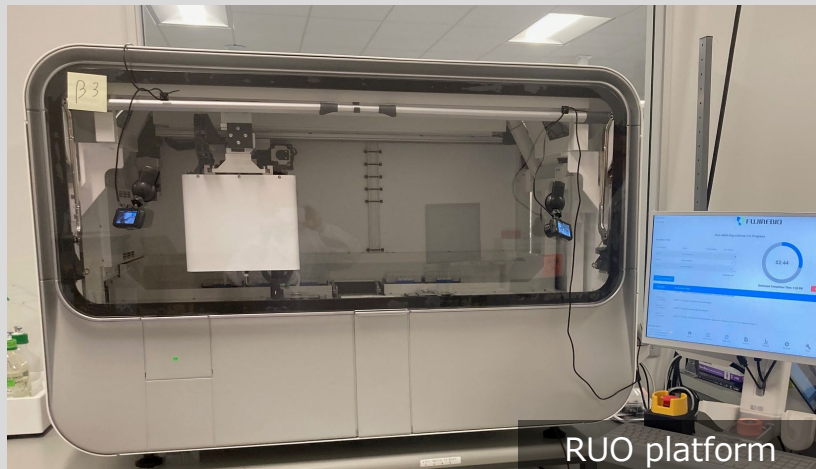


# IVD Ultra Sensitive Detection: Achievements and Prospects

## Achievements from the Previous MTP

### Fluxus completed the RUO platform, and obtained external funding

- Developed RUO platform and 6 reagents
- Grant awarded to Fluxus (Approx. ¥0.68 B<sup>1</sup>)
  - The Global Health Innovative Technology (GHIT Fund)



## Prospects for the new MTP

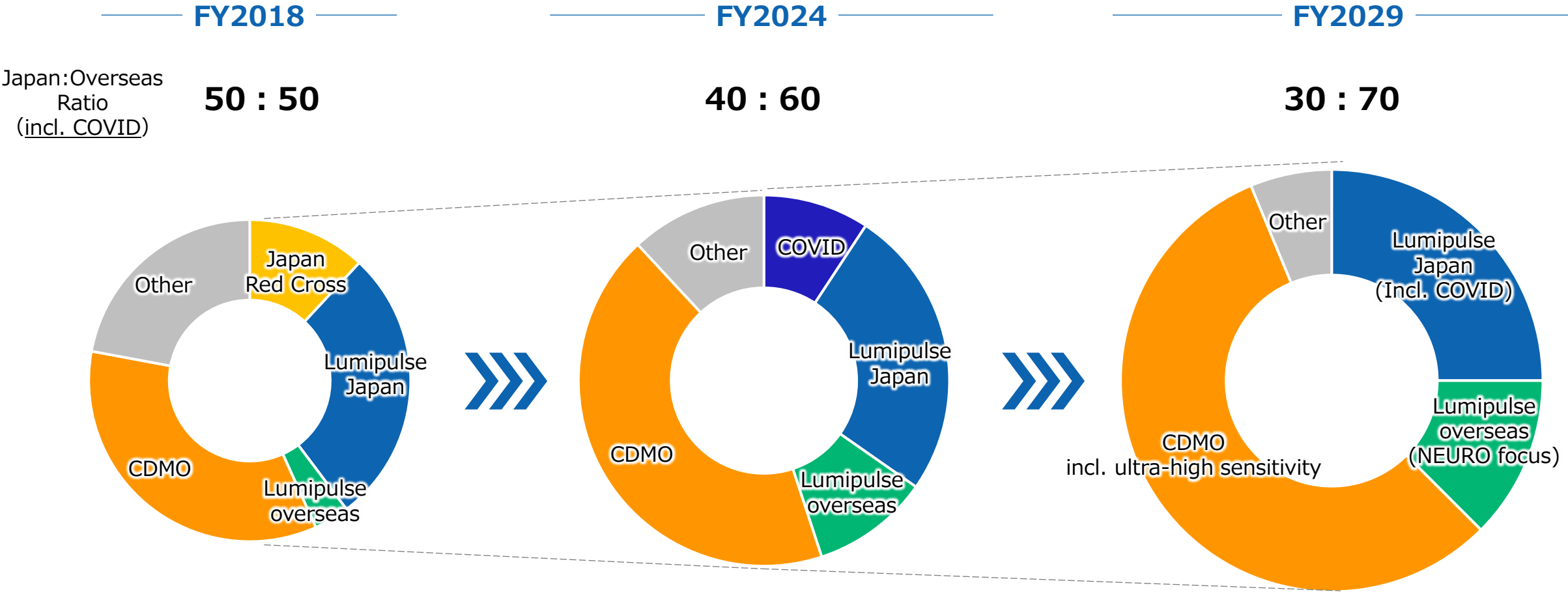
### Continue to drive reagent development and aim to win new CDMO partners

- Develop items with unmet needs for which Ultra Sensitive Detection technology could have high significance
  - TB-LAM<sup>2</sup> (Tuberculosis)
  - *C. difficile* (Clostridium difficile infection)
  - HBV/HCV (Hepatitis B and C virus)
- Collaboration with top universities in EU/US
  - Develop and evaluate reagents for infectious diseases field
- Ongoing discussions with global IVD partners on CDMO partnerships

1. Press release April 23, 2025: Grant award from GHIT Fund for development of an ultrasensitive urine test for tuberculosis      2. Tuberculosis Lipoarabinomannan

# IVD: Highly Profitable Business Model

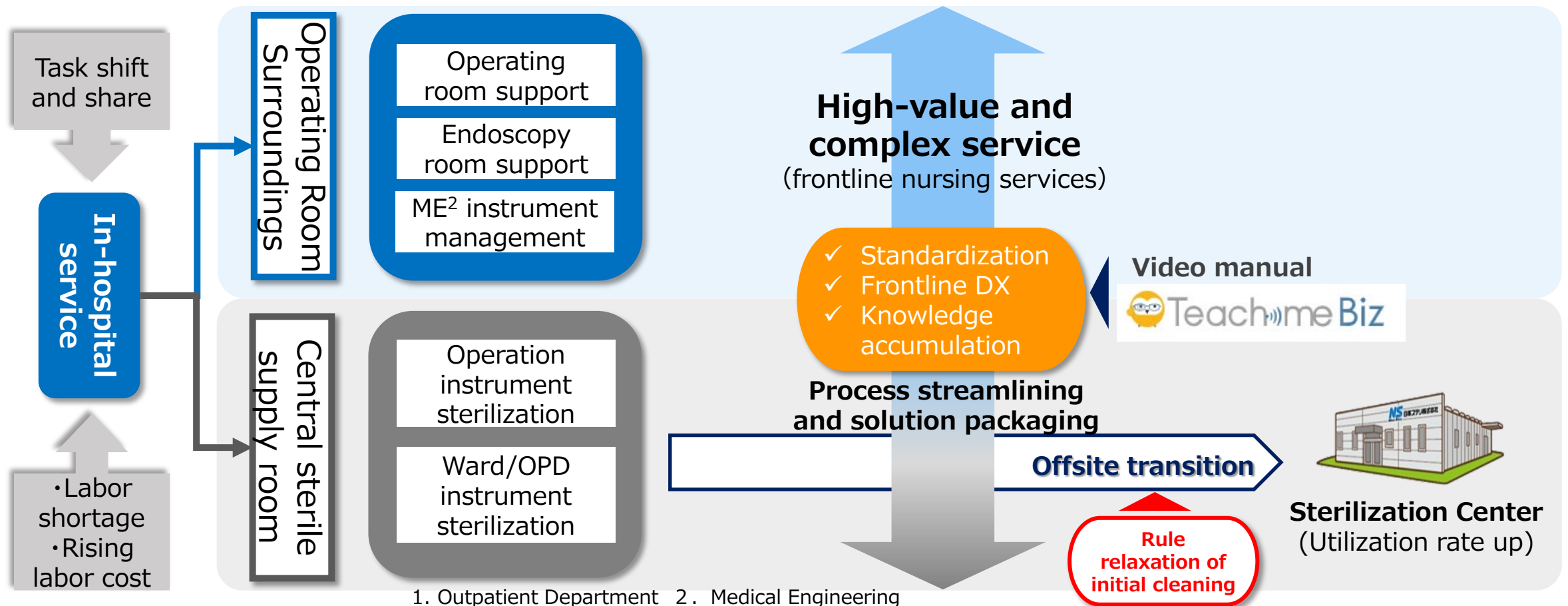
- Realize CAGR 6%+ revenue growth, leveraging global business growth (CDMO/NEURO)
- Target OPM of 25%+ by FY2029, investing 12%+ of revenue in R&D continually



# HS: Sterilization/Operation-related business

We will continue to drive growth with a focus on profitability

- Refocusing in-hospital operations on complex, high-value perioperative services
- Shifting routine sterilization (Ward/OPD<sup>1</sup>) to centralized off-site facility for efficiency
- Enhancing operation-related service



# **Optimize Capital Allocation and Improve Capital Efficiency**

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# Optimizing Capital Allocation

- The dividend will remain stable and progressive on an ongoing basis  
Furthermore, the Group will aim for a Dividend on Equity(DOE) ratio of 6%
- Share repurchases will be positioned as a “strategic investment in the Group” and implemented actively and flexibly  
⇒With a share buyback of over ¥20 B, total shareholder return will be over ¥56 B, including dividends
- For M&A, utilizing additional debt capacity is also possible

(Reference) Cash allocation  
(5 years cumulative, FY2020-2024)

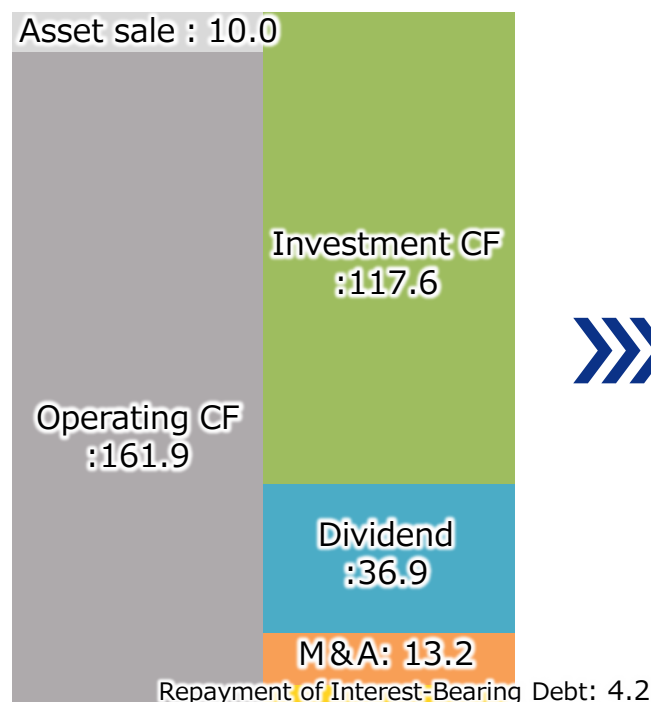
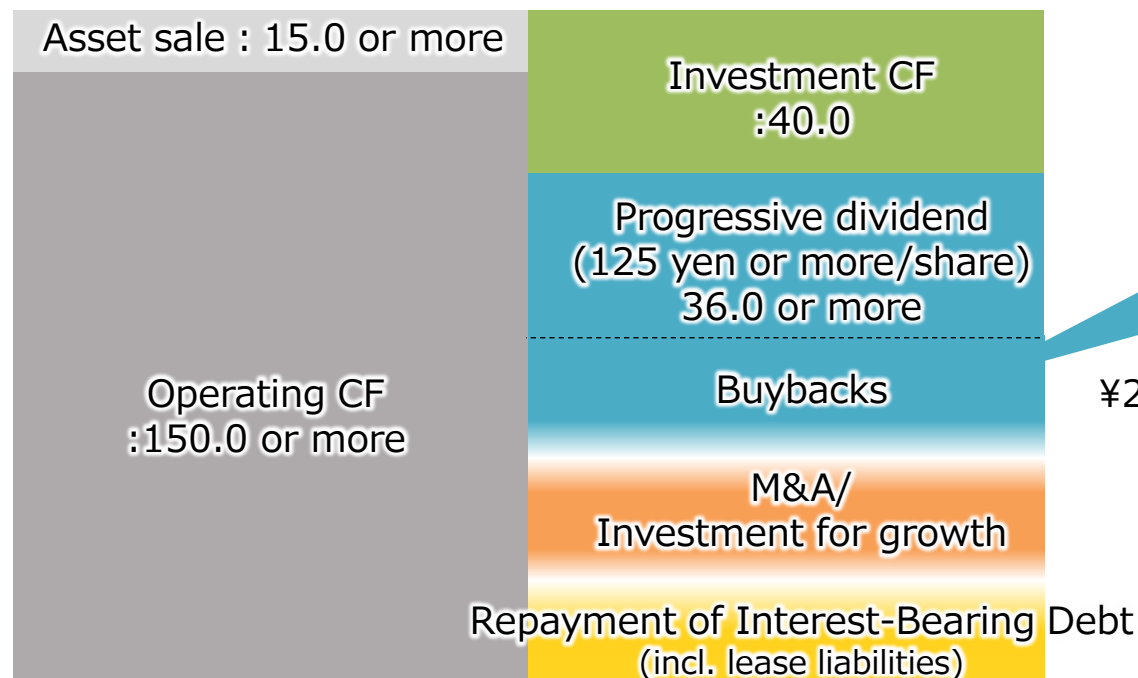


Image of cash allocation  
(5 years cumulative, FY2025-2029)



¥5 B is planned  
(resolved on May 15)

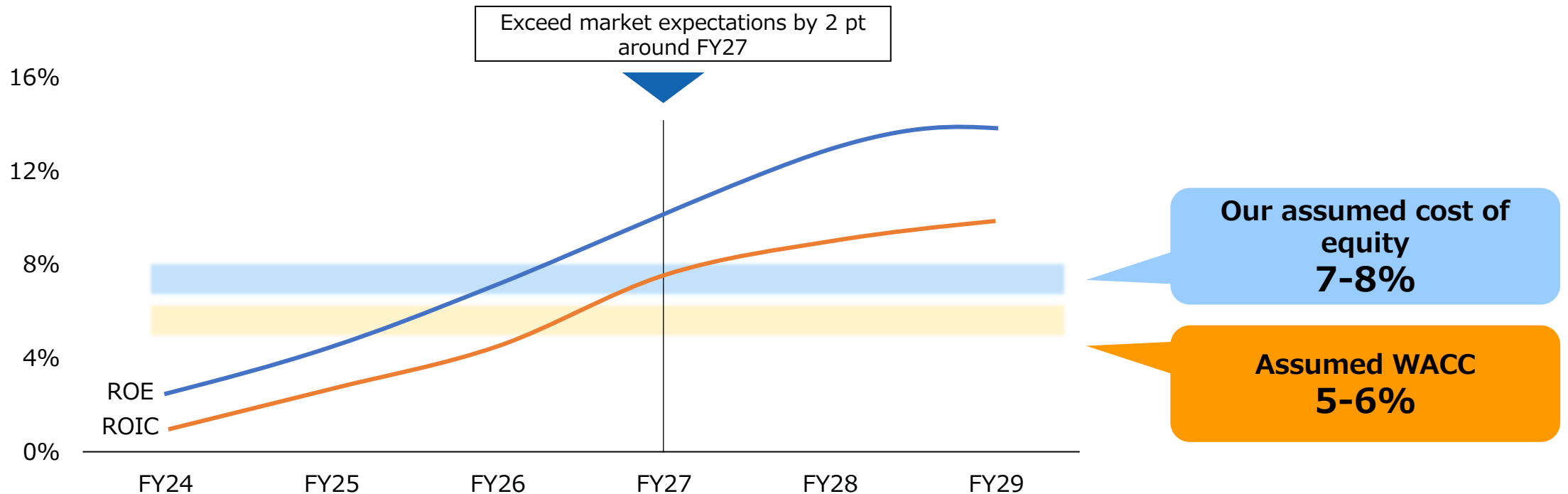
¥20 B or more for buybacks

(billion yen)



# Improving Capital Efficiency

- Implementing disciplined capital allocation with a balanced portfolio and ROIC accountability
- Aim to exceed the market's ROE/ROIC expectations as soon as possible
  - Disciplined segment management with ROIC accountability
  - Manage each investment project by considering hurdle rates of 8-24%, adjusted for business and country risk



# Shareholder Return Policy

- The policy aims for a Dividend on Equity (DOE) ratio of 6% and maintaining progressive dividends
- We view share repurchases as “strategic investments in the Group”, to be implemented actively and flexibly

## Previous Policy

We aim to achieve a 6%-level DOE ratio as our primary KPI for dividends, ensuring stable and continuous dividend payments from the profits and funds generated by each business. This will be done while considering cash flow, maintaining a strong financial base over medium- to long-term and other relevant factors. Additionally, funds from retained earnings will be prioritized for investments in medium to long-term growth.

## Future Policy

We aim to achieve a consolidated DOE ratio of 6% as our primary KPI for dividends, ensuring stable and progressive dividends payments from the profits and funds generated by each business. This will be done while considering cash flow, maintaining a strong financial base over the medium to long-term, and other relevant factors. Additionally, share repurchase will be positioned as “strategic investment in the Group” and implemented actively and flexibly.

# Major Medium-term Financial Target

(Billion yen)

		FY2024		FY2025 Target		FY2029 Target
EBITDA/Margin		23.4	9.6%	30.5	12.1%	16% or more
	LTS	7.7	5.0%	14.5	9.1%	13% or more
	IVD	16.7	27.6%	17.0	28.3%	30% or more
	HS	3.5	11.8%	3.5	10.9%	10% or more
OP/OPM		2.6	1.1%	8.0	3.2%	11% or more
	LTS	-4.6	-3.0%	0.5	0.3%	10% or more
	IVD	11.3	18.8%	11.5	19.2%	25% or more
	HS	1.8	6.0%	1.8	5.6%	8% or more
ROIC <sup>1</sup>		0.8%		2.5%		10% or more
	LTS	-5.0%		0.6%		17% or more
	IVD	9.6%		10.6%		17% or more
	HS	14.3%		14.2%		25% or more

1. Excluding lease finance standard impact

# Major Medium-term Financial Target and Financial Discipline

	FY2024	FY2025 Target	FY2029 Target
ROE	2.0%	4.1%	13% or more
Operating CF	¥161.9 B <sup>1</sup>	¥22 B	¥150 B or more <sup>2</sup>

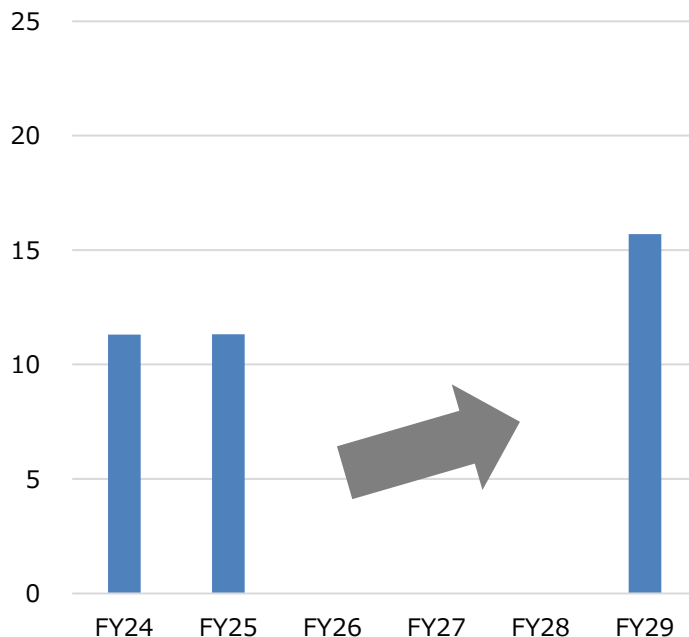
Financial Discipline	
Net interest-bearing debt to EBITDA (excl. lease obligations)	1.3x or less
Equity ratio	40% or more

1. 5 years cumulative (FY2020-FY2024)  
2. 5 years cumulative (FY2025-FY2029)

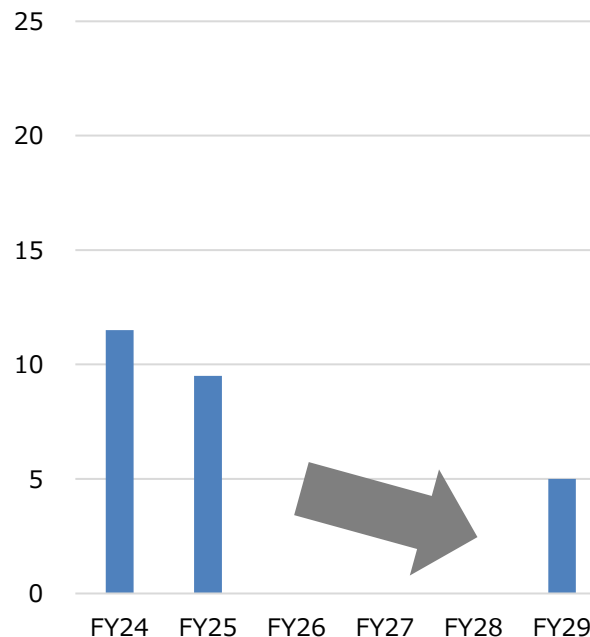
# R&D, CAPEX and D&A Costs

(billion yen)

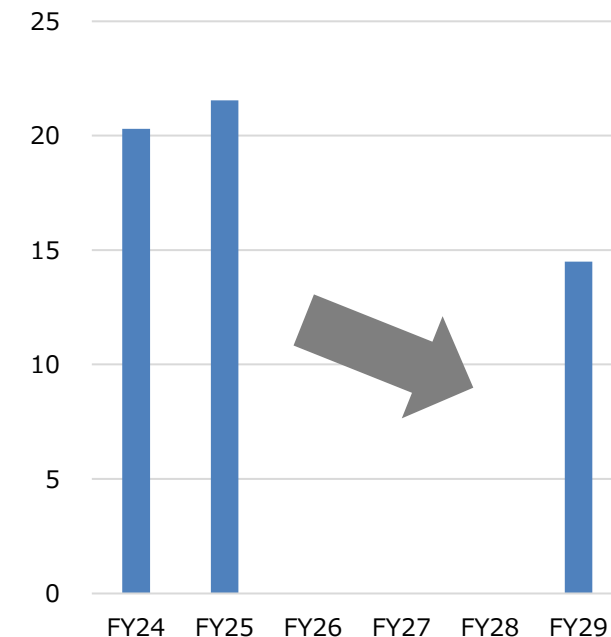
## Research and Development



## Capital Expenditure



## Depreciation and Amortization



- Ongoing development of Lumipulse reagents including NEURO
- IVD: 12% of sales expected to be allocated to R&D

- Capital expenditure peaked, shifting focus to maintenance investments (five-year total at a ¥40 B level)

- Depreciation expenses expected to peak in FY25, followed by a gradual decline
- Expect sharp decline from FY27 (decrease by ¥5 B compared to FY25)

# Materiality and Non-financial Targets 1

Materiality	Components	Non-financial Targets (Targets for FY2029)	
Resolution of social issues through our businesses	<ul style="list-style-type: none"> <li>■ LTS business</li> <li>■ IVD business</li> <li>■ HS business</li> <li>■ Group synergy</li> <li>■ Resilience</li> <li>■ Quality control</li> <li>■ DX</li> <li>■ Brand management</li> <li>■ Customer relations</li> </ul>	LTS	<ul style="list-style-type: none"> <li>■ Number of newly introduced dementia disease-related test items: Over 8 items</li> <li>■ Number of cancer gene (cancer genomic profiling) tests directly linked to treatment: 20% increase (compared to FY2024)</li> </ul>
		IVD	<ul style="list-style-type: none"> <li>■ Number of countries where NEURO-related reagents have been launched: 50 countries (Total of in-house and CDMO products)</li> <li>■ Number of infectious disease items developed for emerging countries: 12 items (Total of in-house and CDMO products)</li> </ul>
		HS	<ul style="list-style-type: none"> <li>■ Number of medical institutions receiving the operating room support service: 205 institutions</li> <li>■ Number of users of the Group's home business: 6,000 users</li> </ul>
Creation of innovation	<ul style="list-style-type: none"> <li>■ R&amp;D</li> <li>■ Innovation</li> <li>■ Intellectual property</li> </ul>	<ul style="list-style-type: none"> <li>■ Number of patent applications: 40 applications/year</li> <li>■ Number of academic publications and presentations: 140 items/year</li> <li>■ R&amp;D expenses to sales ratio               <ul style="list-style-type: none"> <li>● Consolidated: Maintained at the 5% level</li> <li>● IVD: Maintained at the 12% level</li> </ul> </li> </ul>	

# Materiality and Non-financial Targets 2

Materiality	Components	Non-financial Targets (Targets for FY2029)
Human resource development that creates new value	<ul style="list-style-type: none"> <li>Human resource development</li> <li>Diversity</li> <li>Ideal workplaces</li> <li>Health improvement</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Positive response rate in the Engagement Survey               <ul style="list-style-type: none"> <li>Sympathy for the corporate philosophy: 80%</li> <li>Growth opportunity: 60%</li> </ul> </li> <li>Percentage of men taking extended leave or leave for childcare: 100%</li> </ul>
Mitigation of environmental impacts	<ul style="list-style-type: none"> <li>Climate change</li> <li>Recycling-oriented society</li> <li>Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of total CO2 emissions: 33.6% (compared to FY2021)</li> <li>Reduction of water consumption per unit at H.U. Bioness Complex: 5% (compared to FY2024)</li> </ul>
Establishment of a sustainable value chain	<ul style="list-style-type: none"> <li>Sustainable procurement</li> </ul>	<ul style="list-style-type: none"> <li>Formulation of a policy regarding sustainable procurement and agreement with key suppliers* on the policy</li> <li>UNGC Self-Assessment Tool (SAQ)               <ul style="list-style-type: none"> <li>S class: All key suppliers</li> <li>A class or higher: 90% of suppliers subject to the SAQ</li> </ul> </li> </ul>
Strengthening corporate governance	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Information security</li> <li>Anti-corruption/Compliance</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Diversity ratio on the board of directors (such as women and foreign nationals): 30%</li> </ul>

\*Suppliers accounting for the top 60% of the consolidated transaction value

# Future Management Structure

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# Future Management Structure

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The Board of Directors has decided on the following regarding the future management structure (succession plan)

## 1. Candidates for the next CEO

- Four members of the Executive Officer, Kitamura, Ishikawa, Matsumoto, and Omi, have been selected by the Nominating Committee
- Ishikawa and Matsumoto, who are responsible for core businesses, are going to be promoted to Managing Executive Officers in June 2025

## 2. Selection timing for the next CEO

- The Nominating Committee will propose the next CEO to BOD by December 2025
- The next CEO will be determined by the BOD in January 2026 and announced immediately. The new CEO is scheduled to take office no later than April 2026

## 3. Future process

- Launch of Management Innovation Project in June 2025  
Formulate management innovation measures centered on the above four candidates
- Nominating Committee assess the process of compiling management innovation measures
- Reflect the results of compiling management innovation measures in the new medium-term management plan and accelerate them

# Appendix

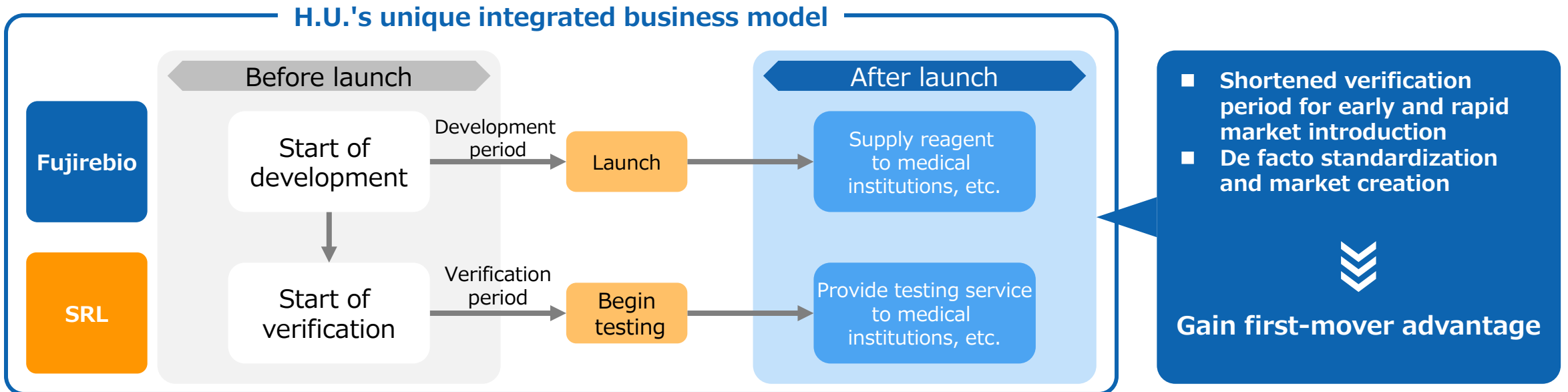
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# Further Acceleration of Integrated Management

## Market creation by LTS/IVD simultaneous launch of new items

Expand the success experience during the pandemic (market creation via integration) to other areas (Neuro, etc.)

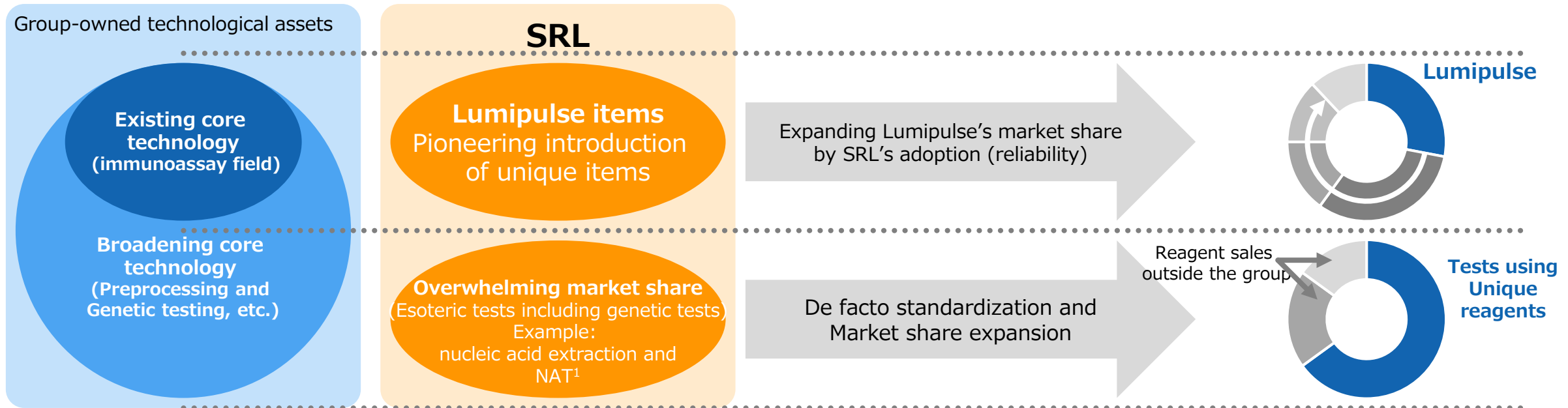
- As Fujirebio begins development, SRL starts item verification in parallel
  - SRL can start verification at an early stage
- When Fujirebio launches the items, SRL introduces them to the market and starts providing testing service at the same time
  - Enables sales expansion and market penetration ahead of competitors, positioning as a market creation leader
  - Gain first-mover advantage by becoming the industry's de facto standard



# Further Acceleration of Integrated Management

## In-house production and sales outside utilizing group's technology

- IVD develops reagents (in-house production) meeting the demand of SRL (largest reagent consumption in Japan)
  - Reduces development risk and improves quality/usability
- Benefits of SRL's adoption of in-house reagents:
  - Lowering costs of SRL reagent purchase
  - Expanding Lumipulse's market share by leveraging reagent reliability proven by SRL adoption
- Ensuring stable supply chain management with Japan-made reagent
- Expanding sales outside the Group



1. NAT: nucleic acid amplification

# Expanding Core Technologies and Advancing In-house Production

## 【Current issues】

- **Supply** : SRL faces multiple supply chain risks for key high-share reagents, including shortages from unstable manufacturer production
- **Design** : Current reagent designs are incompatible in multiple cases with large-scale testing center
- **Production** : Demand for domestic production of vital reagents anticipating next pandemic



- **IVD expansion:** **NAT<sup>1</sup> first Product** (genetic testing) is under application  
**Structuring and advancing the development pipeline**  
(FY26-FY29: Roadmap of multiple product application and launch)
- **RUO development:** **First product launched**  
(in-house developed nucleic acid extraction reagent /MagreNA<sup>®</sup>)  
**Accelerating reagent development and introduction for SRL's specific demand**  
(FY26-FY29: Expanding reagent lineup and start sales outside the group)

1 Nucleic acid Amplification Test

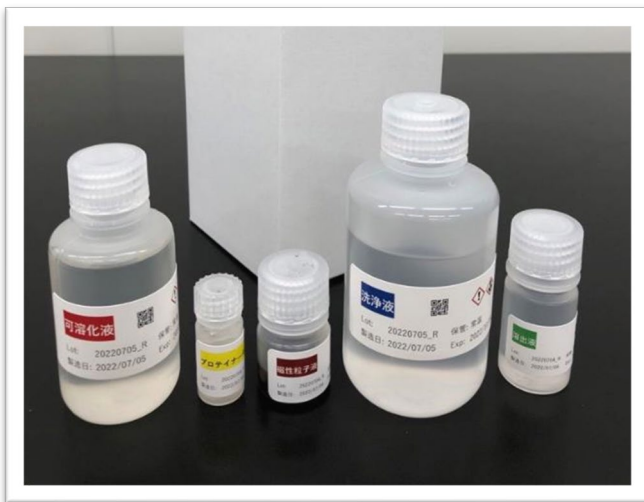
# Differentiation through Unique Item Development and Launch

***MagreNA***<sup>®</sup> : Launch of 100% Japan-made nucleic acid extraction reagent  
utilizing group's unique technology

Launch of ONLY ONE 100% Japan-made NA extraction reagent for future pandemic response

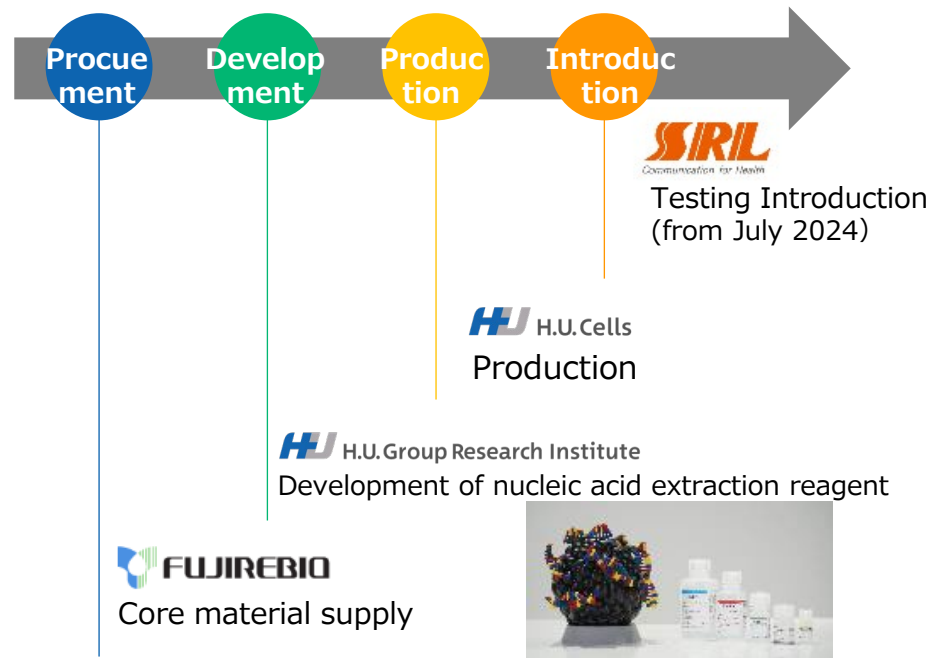
**Mag** + **re** + **NA**

(**M**agnetic beads) (Fuji**re**bio) (**N**ucleic **A**cids)



Proved success of group integration

Introduction of nucleic acid extraction reagent



# Establishing a PSD/healthcare Business: Strategies and Potential

- Monetization of PSD/healthcare business and expansion of users
- Cross-utilizing customer assets across all business units
- Creating new value by leveraging triple-business synergies

