

## **Q&A Highlights: FY2025 Full-year Financial Results**

Date: May 14, 2026

### 1. [Question]

- Regarding the CDMO raw material business, can we expect the strong sales level seen in Q4 to continue, or was it just a temporary recovery due to sales timing?
- Given the ongoing stagnation in China, what is your outlook for the Chinese market and your local partners in FY2026?

[Answer]

- The significantly better performance in Q4 compared to Q3 is not a one-off event. As mentioned back in February, we've been receiving long-term, multiple-month forecasts from our partners. Based on feedback from multiple companies, we believe these updated forecasts for Q4, as well as for the coming period, show improvement. In that sense, we view this recovery trend as sustainable.
- Specifically, while various policies are influencing the Chinese market, we have been working closely with multiple partners to update our forecasts. We believe the accuracy of our outlook has improved significantly.

### 2. [Question]

- Given Mr. Shintaku's track record as the former President of Terumo in the 2010s, his appointment as an outside director suggests a similar strategic direction. At Terumo, he drove profitability by restructuring the three businesses into distinct companies, clarifying accountability for each head. Should we expect your company to implement similar management or operational know-how to enhance profitability?
- Following up on the medium-term business plan's direction, "Each Business Focus on Profitability Improvement", will the heads of your three businesses bear significantly greater accountability for profitability.

[Answer]

- We look forward to leveraging Mr. Shintaku's extensive expertise as he joins us as an outside director.

- The background to this decision is our commitment to ensuring that each business head takes full responsibility for the profitability of their respective segments. While we continue to strengthen this area, the key challenge is how to effectively execute this strategy.
- Moving forward, we will clarify the resource allocation and strategic focus, based on a clear understanding of where and how each business should grow. To achieve this, we will review our existing functional integration, proactively, and swiftly optimize the organizational structure where improvements are necessary.
- These improvements will drive sustainable growth in each business, ensure we meet commitments in our medium-term business plan, and significantly enhance our profitability.

### 3. [Question]

- Actual results fall short of your plan announced in February, especially in the IVD. What are the factors behind this?

[Answer]

- There are two main factors. First, domestic sales did not grow as much as expected. This was due to the base business, combined with the fact that COVID-19 testing in Japan was lower than expected.
- The second factor involves the NEURO reagent. As shown in the graph, we had expected stronger growth in Q4. However, actual sales fell short due to the timing of shipments. Therefore, these led to the gap between our forecast and results.

### 4. [Question]

- Regarding NEURO growth, Q4 underperformed expectations, especially on a YoY basis, is it correct to assume this was due to the timing of shipments?
- How do you project NEURO's growth in FY2026? Specifically, given recent external developments, such as the three-month postponement of Eisai's application, and competitor's awaiting FDA approval for pTau217, to what extent will those outside factors impact NEURO growth trend?

[Answer]

- Growth in Q4 FY2024 set a high baseline. In contrast, Q4 FY2025 didn't grow as expected due to the shipment timing.

- However, our manufacturing facility based in Belgium is operating at full capacity, reflecting that underlying demand remains exceptionally strong. While Q4 appears temporarily soft due to timing, we believe our robust growth trend will continue.
- In that sense, we consider it as a positive sign that pharmaceutical companies are expanding access to the therapeutic, as well as other reagent manufacturers are entering the market. Both factors are driving overall market expansion. Therefore, we expect the market as a whole to grow, rather than our share to decline.

5. [Question]

- Could you clarify assessment of the geopolitical risks in the Middle East that the company is anticipating for the current fiscal year?
- Specifically, do you foresee any potential disruptions or impacts on the logistics and delivery of specimens?

[Answer]

- Many of our plastic products are oil-based, so our top priority right now is to secure a stable supply of these items and ensure there are no delays in specimen delivery
- At this point, we don't yet have specific figures, but we are focused on securing everything needed for testing, as well as IVD reagents to packaging. While we expect some price increases, we believe costs will remain within a foreseeable range.

6. [Question]

- Is it correct to assume that the LTS business would be the most likely to be affected by Middle East situation over your company's other business?

[Answer]

- The impact would apply to both our LTS and IVD businesses. In terms of volume, many of the plastic and packaging items are used commonly across LTS business.