Q&A Highlights: FY2026 Q1 Financial Results

Date: August 12, 2026

1. [Question]
- How did Q1 performance compare with the Company's internal plan?

[Answer]
- Q1 performance was generally better than expected, despite relatively conservative assumptions in the initial plan.
- IVD profits exceeded expectations, driven by NEURO growth and the recovery of CDMO, mainly in China. SRL profitability also recovered more strongly than anticipated.
- Overall, we believe we are on track to achieve our full-year operating profit target of JPY9 billion.

2. [Question]
- Given that vitamin D is considered difficult to measure using antibodies and LC-MS is regarded as a reliable method, what is driving the significant increase in shipments of vitamin D-related raw materials, and is this growth sustainable?
- Was this growth already incorporated into the full-year plan?

[Answer]
- Vitamin D testing is an established global testing market. We are now supplying proprietary raw materials originally developed for Lumipulse to other diagnostic companies through our CDMO business.
- Our antibody-based vitamin D technology has demonstrated strong correlation with LC-MS. By supplying these proprietary materials for use on partners' platforms, we are expanding their global market reach through our CDMO business.
- H1 shipment volume is expected to reach nearly 10 times the volume used internally for Lumipulse reagents in the previous full year.
- Although the sales contribution is still limited, there is potential upside as our partners expand globally. The expected growth has already been incorporated into our plan.

3. [Question]

- How do you view increasing competition in pTau217 and the outlook for NEURO growth?
- Could greater competition or pricing pressure affect the profitability of the NEURO business?

[Answer]

- At AAIC 2026, we saw significant potential for the overall blood-based Alzheimer's testing market to expand. We view the entry of additional competitors positively as it should accelerate market development.
- Demand remains strong for both our pTau217/Aβ IVD assays and pTau217 as an RUO product. We expect the current demand trend to continue and are expanding manufacturing capacity accordingly.
- Some price decline has been factored into our full-year plan. While we do not expect a sharp decline, some pricing pressure could emerge during H2.

4. [Question]

- Is the recovery in the Chinese CDMO business sustainable, and could changes in medical reimbursement or market conditions affect demand?

[Answer]

- Forecasts received from multiple partners in China have become more accurate, and the improvement indicated by those forecasts is now being reflected in actual results.
- Inventory levels are returning to more appropriate levels following last year's weakness, and we expect volumes to gradually return to a growth trend.
- As our business is conducted under individual supply agreements with partners rather than through direct sales to end users, we currently have no indication of a significant impact from reimbursement changes on forecast volumes.
- We believe our tumor marker antibodies, originated from that we acquired around 2000, have become a market standard not only in China but also globally.

5. [Question]

- Lumipulse Japan's sales declined slightly, and the installed base decreased. What is the strategy for returning to growth?

[Answer]

- Rather than focusing solely on the number of installed units, we are prioritizing larger-scale Lumipulse systems at customers with higher reagent consumption.
- Q1 results were also affected by the timing of sales to wholesalers. We are strengthening sales activities with the aim of achieving growth above the domestic market, and believe it is too early to assess the trend based on Q1 alone.

6. [Question]

- What accounts for the difference between JPY3.6 billion in total NEURO sales and JPY3.0 billion in Lumipulse NEURO sales?
- Could CDMO expand by supplying proprietary raw materials to other diagnostic companies?

[Answer]

- The JPY3.0 billion represents Lumipulse CSF and blood reagent sales. The remaining approximately JPY0.6 billion consists mainly of CDMO raw material sales and legacy research reagent products.
- Legacy product sales are expected to decline as they are replaced by Lumipulse, while CDMO raw material sales are expected to expand.
- We are open to supplying proprietary raw materials, including antibodies used in Lumipulse, to other diagnostic companies. This is intended to support both CDMO growth and broader expansion of testing markets.

7. [Question]

- What drove the significant improvement in LTS operating profit, and what is the outlook for cost increases?

[Answer]

- The largest driver of contribution margin improvement was pricing optimization, reflecting both the carryover effect of price increases implemented last year and additional pricing initiatives this year.
- Fixed-cost reductions, the absence of one-time Akiruno-related expenses recorded in the previous year, and lower depreciation expenses also contributed to the significant improvement in operating profit.

- Genomic testing continued to grow steadily, although its contribution to margin improvement remains limited at this stage.
- Raw material and collection costs were broadly in line with the plan in Q1. Although we have recently received requests for price increases from suppliers, we are managing these pressures through negotiations.
- We are also monitoring potential supply-chain risks but currently expect overall procurement costs for the full year to remain largely within the range assumed in our plan.

8. [Question]
- What are the upfront development costs incurred in the CDMO business, and how should we view the current project pipeline?

  [Answer]
- Upfront development costs mainly consist of expenses incurred for reagent development projects before they begin generating sales, including costs for materials such as expensive samples.
- The current focus is shifting from acquiring new projects to completing development and regulatory processes and moving existing projects into the manufacturing and commercialization phase.
- While the net increase in projects is limited at present, overall progress remains in line with our CDMO strategy.

9. [Question]
- How do you view the respective roles of the pTau217/Aβ ratio and pTau217 alone in the U.S. market?

  [Answer]
- We consider Aβ an important parameter and believe the pTau217/Aβ ratio has significant value as an IVD.
- At the same time, demand for pTau217 alone as an RUO product is also very strong in the U.S., contributing to current NEURO growth.
- We will continue to respond to both IVD and RUO demand as the blood-based Alzheimer’s testing market expands.