# Q&A Highlights: FY2026 Q2 Financial Results

Date: November 11, 2026

**1. [Question]**

- What caused the Q2 slowdown in NEURO sales, particularly in the US, and what is the outlook for H2?
- Is the recovery in CRDMO sustainable, including demand from China?

**[Answer]**

- The quarter-on-quarter decline in NEURO sales in Q2 was mainly due to the timing of orders and shipments, rather than weaker demand.
- Orders for H2 remain solid, with no significant overall price declines despite some customer-specific adjustments.
- CRDMO is recovering, with both raw material and finished-product shipments increasing. Demand is improving across global markets, including China.

**2. [Question]**

- What criteria and timeline will guide the review and reorganization of the Group's business portfolio?

**[Answer]**

- The review will prioritize alignment with the Group's growth strategy, particularly Oncology and NEURO, while considering each business's profitability, growth potential and market environment.
- We aim to finalize our portfolio restructuring strategy early in H2 FY2026 and make meaningful progress on the reorganization by the end of FY2027.

**3. [Question]**

- How will the Group allocate 80% of its global Lumipulse reagent and raw material R&D resources to NEURO over the next three years?

**[Answer]**

- We will accelerate the development and commercialization of NEURO assays, leveraging ADx's pipeline of approximately 20–30 potential assay targets, including those related to Parkinson's disease and ALS.
- We also plan to strengthen in-house antibody development and manufacturing to support future CRDMO opportunities.
- Resources will cover both assay development and regulatory activities, with responsibilities and priorities coordinated across Japan, Europe and the US.

**4. [Question]**

- What is the status of collaborations with pharmaceutical companies in the NEURO field?

**[Answer]**

- We are engaging with global pharmaceutical companies to identify priority biomarkers and align diagnostic development with therapeutic drug development.
- Potential collaborations also include clinical studies and regulatory-related activities across multiple countries. Specific projects have not been disclosed.

**5. [Question]**

- What drove the improvement in the IVD segment's operating profit margin to 19% in Q2 compared with Q1?

**[Answer]**

- Overseas profitability remained strong despite quarter-on-quarter fluctuations in NEURO and CRDMO sales.
- Higher domestic Lumipulse reagent sales and lower upfront costs for instrument installations contributed to margin improvement.
- Domestic reagent sales are subject to seasonal fluctuations and distributor purchasing patterns.

**6. [Question]**

・Why is the Group transferring some corporate functions to operating companies rather than further centralizing them?

**[Answer]**

・The aim is to give operating companies greater control over functions requiring business-specific expertise, while maintaining efficiency through Group-wide functions where appropriate.
・For example, business-specific IT teams may be positioned closer to operations, while Group-wide cybersecurity remains centralized at headquarters.

**7. [Question]**

・How has the profitability of cancer genomic testing changed as sales and the test menu expand?

**[Answer]**

・New tests such as HemeSight generate positive contribution margins. However, high material costs and the mix of in-house and outsourced testing limit the improvement in overall profitability.
・Although cancer genomic testing sales grew 9% in H1, the increase in contribution profit was limited.
・We will focus on improving margins by expanding in-house testing processes and leveraging scale to reduce material costs.

**8. [Question]**

・What is the current balance between in-house and outsourced cancer genomic testing?

**[Answer]**

・Based on the overall contribution margin, outsourced testing appears to account for the majority, although no precise breakdown was provided.

・Tests with a higher proportion of in-house processes can generate contribution margins of several tens of percent, generally above those of outsourced tests.

**9. [Question]**

・How is price optimization progressing in LTS, and what is the outlook for H2? How did Q2 compare with Q1?

**[Answer]**

・We expect the profitability improvement trend to continue in H2, supported by new test offerings toward the end of the period and lower depreciation expenses. H2 results may exceed H1.
・Compared with Q1, Q2 saw a slight increase in daily test volumes and further fixed-cost reductions. Most of the pricing benefit was already reflected in Q1, with limited incremental impact in Q2.

**10. [Question]**

・How will the Group expand adoption of blood-based NEURO testing in Japan, and what is driving customer-specific price adjustments?

**[Answer]**

・We will continue to expand the market through partnerships with pharmaceutical and diagnostic companies globally. Especially in Japan, we will accelerate domestic market development leveraging both Fujirebio and SRL.
・Price reductions for certain customers reflect growing demand for NEURO testing and increasing competition, particularly in the US and Europe. However, the overall impact on pricing remains limited.

**11. [Question]**

・Are customers comparing the pricing of the pTau217/Aβ42 ratio assay with that of the standalone pTau217 assay?

**[Answer]**

- We are not aware of any significant price discounts resulting from comparisons between the pTau217/Aβ42 ratio IVD assay and the standalone pTau217 assay.
- We offer both the approved pTau217/Aβ42 ratio IVD assay and the standalone pTau217 RUO assay, with demand for both products.

**12. [Question]**

- What measures is the Group taking to manage cybersecurity risks, particularly in clinical testing?

**[Answer]**

- Cybersecurity is a major Group priority. We established a dedicated team this year and are prioritizing the protection of internet-accessible systems.
- We have been strengthening business continuity planning for potential system outages and data incidents in clinical testing, including recovery simulations begun in the prior fiscal year.
- We will continue these measures without anticipating unusually large additional expenditures.