



# Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 [IFRS]

August 7, 2025

Company Name: PHC HOLDINGS CORPORATION

Stock Code: 6523 (URL: <https://www.phchd.com/global/ir>)

Stock Exchange Listing: Tokyo

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Scheduled date to commence dividend payments: —

Availability of supplementary briefing material on the First Quarter results: Yes

Scheduled date of the First Quarter Results Briefing Session: Yes

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

### (1) Consolidated Results of Operations

(% indicates changes from the previous corresponding term)

	Revenue		Operating profit		Profit before taxes		Profit		Profit attributable to owners of parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three Months ended June 30, 2025	83,856	(1.6)	3,843	89.6	(1,990)	-	(2,474)	-	(2,341)	-	(1,330)	-
Three Months ended June 30, 2024	85,187	4.7	2,027	18.4	(2,762)	-	(3,191)	-	(3,173)	-	11,173	(7.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three Months ended June 30, 2025	(18.55)	(18.55)
Three Months ended June 30, 2024	(25.17)	(25.17)

(Note) Share of profit (loss) of investments accounted for using equity method:

June 30, 2025... (8)million yen

June 30, 2024... (74)million yen

## (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2025	519,781	137,295	137,900	26.5
March 31, 2025	532,482	141,171	141,639	26.6

## 2. Cash dividends

Fiscal year ended	Annual cash dividends per share				
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
March 31, 2025	-	21.00	-	21.00	42.00
March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		21.00	-	21.00	42.00

(Note) Revision of cash dividends forecasts to the latest announcement: None

## 3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(% indicates year-on-year changes)

	Revenue		Operating profit		Profit before taxes		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Fiscal year ending March 31, 2026	363,100	0.4	17,400	(22.9)	12,200	(35.2)	7,400	(28.6)	7,400	(29.4)	58.64

(Note) Revision of consolidated earnings forecasts to the latest announcement: None

**\* Notes**

(1) Changes in significant subsidiaries during the current period (Changes in specific subsidiaries involving changes in the scope of consolidation): None

Newly included: - companies

Excluded: - companies

(2) Changes in accounting policies, changes in accounting estimates

1) Changes in accounting policies required by IFRS: Not applicable

2) Changes in accounting policies other than 1) : Not applicable

3) Changes in accounting estimates: Not applicable

(3) Total number of issued shares (common stock):

1) Total number of issued shares at the end of the period (including treasury shares):

As of June 30, 2025	126,721,820 Shares
As of March 31, 2025	126,410,072 Shares

2) Total number of treasury shares at the end of the period:

As of June 30, 2025	211,941 Shares
As of March 31, 2025	211,941 Shares

3) Average number of outstanding shares during the period:

Three months ended June 30, 2025	126,254,536 Shares
Three months ended June 30, 2024	126,077,878 Shares

Note 1: Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

Note 2: Explanation regarding proper use of the projected financial results and other notes:

The forecasted statements shown in these materials are based on information currently available and certain assumptions that PHC Holdings Corporation regards as reasonable, and therefore the group's actual results may differ materially due to unknown several factors.

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## 1. Qualitative information regarding financial performance

### (1) Explanation regarding operation results

During the three months ended June 30, 2025 (hereafter “this period”), PHC Group generated revenue of JPY 83,856 million, down 1.6% compared to the same period of the previous year (hereafter “year on year”). In Diabetes Management, revenue decreased slightly year on year due to the impact of the appreciation of the yen. But excluding the FX impact, revenue increased. In Healthcare Solutions, despite growth in revenue from the business related to electronic medical records and medical-receipt systems in Healthcare IT Solutions, revenue was on par year on year due to decreased revenue in CRO business. In Diagnostics & Life Sciences, revenue decreased mainly due to the appreciation of the yen and the impact of stagnant market conditions. Operating profit for this period was JPY 3,843 million, up 89.6% year on year. In Diabetes Management, operating profit increased significantly due to the strong performance of Blood Glucose Monitoring (hereafter “BGM”) business, mainly in developed countries. In Healthcare Solutions, operating profit declined due to difficulty in offsetting the impact of decreased revenue in CRO business. Diagnostics & Life Sciences also saw a decline in operating profit due to lower revenues in each business and the impact of transferring some of corporate functions described below.

Adjusted EBITDA was JPY 10,911 million, up 14.6% year on year. Adjustment items include one-time income/expense relating to restructuring (additions of JPY 368 million in this period and JPY 168 million in the previous period) and one-time income/expense relating to transformational M&A pre-acquisition and integration costs (additions of JPY 36 million in this period and JPY 10 million in the previous period).

Loss before tax was JPY 1,990 million (Loss of JPY 2,762 million in the previous period). This loss was due to foreign exchange losses of JPY 4,377 million and interest expenses of JPY 1,372 million, but it improved by JPY 772 million year on year on the back of the increase in operating profit.

Loss attributable to owners of parent was JPY 2,341 million (Loss of JPY 3,173 million in the previous period).

Please note that we have changed the segment breakdown of operating profit and adjusted EBITDA due to the review of corporate functions and the transfer of some headquarters roles to each business from this period. However, the consolidated financial results forecasts announced on May 13, 2025, remain unchanged. For details on the changes, please refer to (4) Explanation regarding future prospects (ex. forecasted consolidated business results) in 1. Qualitative information regarding financial performance. The impact on actual results for this period is described in the operating profit and adjusted EBITDA for each segment in 1. Qualitative information regarding financial performance.

	Three months ended June 30, 2024 (million yen)	Three months ended June 30, 2025 (million yen)	Change
Revenue	85,187	83,856	(1.6%)
Operating profit	2,027	3,843	89.6%
EBITDA	9,339	10,506	12.5%
Adjusted EBITDA	9,522	10,911	14.6%
Profit (loss) before tax	(2,762)	(1,990)	—
Profit (loss)	(3,191)	(2,474)	—
Profit (loss) attributable to owners of parent	(3,173)	(2,341)	—
Average exchange rate JPY/USD	JPY 155.92	JPY 144.46	JPY (11.46)
Average exchange rate JPY/EUR	JPY 167.88	JPY 163.86	JPY (4.02)

(Note) EBITDA and Adjusted EBITDA are not measures in accordance with IFRS. However, PHC Holdings Corporation believes that this disclosure may be useful information to investors.

【Calculation table of EBITDA and adjusted EBITDA】

	Three months ended June 30, 2024 (million yen)	Three months ended June 30, 2025 (million yen)	Change
Operating profit	2,027	3,843	89.6%
+ Depreciation	7,312	6,661	(8.9%)
+ Impairment loss (excluding marketable securities)	—	1	—
EBITDA	9,339	10,506	12.5%
(Adjusted amount)			
+ One-time income/expense relating to transformational M&A pre-acquisition and integration costs	10	36	260.0%
+ One-time income/expense relating to restructuring	168	368	119.0%
+ One-time income/expense relating to disposal/sales of asset	—	—	—
+ Other one-time income/expense	3	—	—
Adjusted EBITDA	9,522	10,911	14.6%

(Note) EBITDA and adjusted EBITDA are calculated with the following formulas:

EBITDA = Operating profit + depreciation + impairment loss (excluding marketable securities)

Adjusted EBITDA = EBITDA + one-time income and expenses

The business performance by segment is as follows:

**Diabetes Management**

	Three months ended June 30, 2024 (million yen)	Three months ended June 30, 2025 (million yen)	Change
Revenue	23,241	23,137	(0.4%)
Operating profit	1,670	3,953	136.7%
EBITDA	3,343	5,043	50.9%
Adjusted EBITDA	3,348	5,160	54.1%

(Calculation table of EBITDA and adjusted EBITDA)

	Three months ended June 30, 2024 (million yen)	Three months ended June 30, 2025 (million yen)	Change
Operating profit	1,670	3,953	136.7%
+ Depreciation	1,673	1,090	(34.8%)
+ Impairment loss (excluding marketable securities)	—	—	—
EBITDA	3,343	5,043	50.9%
(Adjustment amount)			
+ One-time income/expense relating to transformational M&A pre-acquisition and integration costs	—	—	—
+ One-time income/expense relating to restructuring	4	116	—
+ One-time income/expense relating to disposal/sales of asset	—	—	—
+ Other one-time income/expense	—	—	—
Adjusted EBITDA	3,348	5,160	54.1%

(Note) EBITDA and adjusted EBITDA are calculated with the following formulas:

EBITDA = Operating profit + depreciation + impairment loss (excluding marketable securities)

Adjusted EBITDA = EBITDA + one-time income and expenses

<Revenue Situation>

Revenue of Diabetes Management for this period was JPY 23,137 million, down 0.4% year on year. In the BGM business, revenue decreased slightly due to the appreciation of the yen; however, excluding the impact of foreign exchange, the business achieved revenue growth. This growth was primarily driven by robust sales in Europe, supported by favorable sales phasing shifts despite ongoing market contraction and the shift to low-priced channels in developed markets such as Europe and the U.S. Additional factors contributing to growth included a reduced impact of the termination of sales collaboration and the success of the price increase initiative that increased unit prices in the U.S. In Continuous Glucose Monitoring (hereafter “CGM”) business, revenue increased in the U.S. due to Eversense 365 system, which was launched during the third quarter of the previous consolidated fiscal year and allows users one year of uninterrupted use.

<Operating Profit and Adjusted EBITDA Situation>

The operating profit of Diabetes Management for this period was JPY 3,953 million, up 136.7% year on year. Despite a negative impact of JPY 82 million due to the earlier-mentioned transfer of some of corporate functions, this was due to a significant profit increase in the BGM business, driven by sales in developed countries, improved profit margins achieved primarily through higher unit prices, and a reduction in depreciation expenses. Adjusted EBITDA was JPY 5,160 million, up 54.1% year on year. Adjustment items included one-time income/expense relating to restructuring (additions of JPY 116 million in this period and JPY 4 million in the previous period, respectively).



## Healthcare Solutions

	Three months ended June 30, 2024 (million yen)	Three months ended June 30, 2025 (million yen)	Change
Revenue	30,252	30,474	0.7%
Operating profit	1,252	860	(31.3%)
EBITDA	3,759	3,492	(7.1%)
Adjusted EBITDA	3,770	3,529	(6.4%)

### (Calculation table of EBITDA and adjusted EBITDA)

	Three months ended June 30, 2024 (million yen)	Three months ended June 30, 2025 (million yen)	Change
Operating profit	1,252	860	(31.3%)
+ Depreciation	2,507	2,632	5.0%
+ Impairment loss (excluding marketable securities)	—	—	—
EBITDA	3,759	3,492	(7.1%)
(Adjustment amount)			
+ One-time income/expense relating to transformational M&A pre-acquisition and integration costs	10	36	260.0%
+ One-time income/expense relating to restructuring	—	—	—
+ One-time income/expense relating to disposal/sales of asset	—	—	—
+ Other one-time income/expense	—	—	—
Adjusted EBITDA	3,770	3,529	(6.4%)

(Note) EBITDA and adjusted EBITDA are calculated with the following formulas:

EBITDA = Operating profit + depreciation + impairment loss (excluding marketable securities)

Adjusted EBITDA = EBITDA + one-time income and expenses

### <Revenue Situation>

Revenue of Healthcare Solutions for this period was JPY 30,474 million, up 0.7% year on year. A breakdown includes LSIM business at JPY 16,838 million, up 1.5% year on year, Healthcare IT Solutions business at JPY 12,165 million, up 6.2% year on year, and CRO business at JPY 1,469 million, down 33.8% year on year. In LSIM business, revenue increased slightly due mainly to the sales increase of genetic testing, one of LSIM's growth initiatives.

In Healthcare IT Solutions, robust sales related to electronic medical record and medical-receipt systems offset the impact of lower demand for electronic prescription software, resulting in increased revenue.

In CRO business, revenue declined as in the previous period large-scale safety testing in the non-clinical testing business completed.

<Operating Profit and Adjusted EBITDA Situation>

Operating profit in Healthcare Solutions for this period was JPY 860 million, down 31.3% year on year. In Healthcare IT Solutions business, though increased revenue from the electronic medical record and medical-receipt systems offsetting lower demand for high-margin electronic prescription software and increased personnel costs, operating profit declined due to decreased revenue in CRO business. The reduction due to the earlier-mentioned transfer of some of corporate functions was JPY 19 million.

Adjusted EBITDA was JPY 3,529 million, down 6.4% year on year. Adjustment items include one-time income/expense relating to transformational M&A pre-acquisition and integration costs (additions of JPY 36 million in this period and JPY 10 million in the previous period, respectively).

## Diagnostics and Life Sciences

	Three months ended June 30, 2024 (million yen)	Three months ended June 30, 2025 (million yen)	Change
Revenue	31,031	28,820	(7.1%)
Operating profit	1,320	708	(46.4%)
EBITDA	4,267	3,496	(18.1%)
Adjusted EBITDA	4,359	3,497	(19.8%)

(Calculation table of EBITDA and adjusted EBITDA)

	Three months ended June 30, 2024 (million yen)	Three months ended June 30, 2025 (million yen)	Change
Operating profit	1,320	708	(46.4%)
+ Depreciation	2,946	2,786	(5.4%)
+ Impairment loss (excluding marketable securities)	—	1	—
EBITDA	4,267	3,496	(18.1%)
(Adjustment amount)			
+ One-time income/expense relating to transformational M&A pre-acquisition and integration costs	—	—	—
+ One-time income/expense relating to restructuring	91	0	—
+ One-time income/expense relating to disposal/sales of asset	—	—	—
+ Other one-time income/expense	—	—	—
Adjusted EBITDA	4,359	3,497	(19.8%)

(Note) EBITDA and adjusted EBITDA are calculated with the following formulas:

EBITDA = Operating profit + depreciation + impairment loss (excluding marketable securities)

Adjusted EBITDA = EBITDA + one-time income and expenses

### <Revenue Situation>

Revenue of Diagnostics and Life Sciences for this period was JPY 28,820 million, down 7.1% year on year. This includes JPY 13,587 million in Pathology business, down 5.0% year on year, JPY 11,158 million in Biomedical (PHCbi) business, down 7.8% year on year, and JPY 4,075 million in IVD business, down 11.8% year on year. In Pathology business, excluding the impact of foreign exchange rates, revenue was on par year on year. Revenue declined in the Americas due to continued softness in equipment demand, and in Asia primarily due to a slow demand in Chinese market. On the other hand, Europe achieved revenue growth, driven by the steady performance of glass and consumables, as well as the acquisition of large-scale projects for digital pathology products. This digital pathology growth in the current quarter is driven by strong demand in Europe, the recent launch of new clinical products in the U.S., and the start of sales of locally manufactured products in China for the local market. Overall, consumables have shown steady growth, and equipment demand including digital pathology products, has shown a modest recovery.

In Biomedical (PHCbi) business, revenue decreased due to the appreciated yen and lower demand caused by U.S. policies, despite signs of recovery in some regions such as Europe and Asia. In the Americas, demand remains slow due to ongoing budget cuts at US government agencies, universities, and research institutions. However, pharmaceutical companies have started moving forward with large-scale projects. This has led to our acquisition of several large projects for the second quarter and beyond. In Europe, revenue increased due to strong performance in France for logistics, CRO, and pharmaceutical companies, and the delivery in Germany for the

large projects acquired last fiscal year. In Japan, revenue decreased due to stagnant demand for dispensing support equipment and others, despite increased sales of life science equipment year on year.

In IVD business, revenue declined due to lower sales of reagents for PATHFAST™ Immunoanalyzer and automated analyzers in Russia, as well as the lower demand in China with reduced numbers of testing, and lower sales of digital injectors and other factors.

<Operating Profit and Adjusted EBITDA Situation>

Operating Profit in Diagnostics and Life Sciences for this period was JPY 708 million, down 46.4% year on year. While Pathology business improved due to cost reductions mainly in SG&A expenses and a decrease in depreciation expenses, Biomedical and IVD businesses were unable to offset the lower revenues by streamlining initiatives and other efforts. The reduction due to the earlier-mentioned transfer of some of corporate functions was JPY 316 million.

Adjusted EBITDA was JPY 3,497 million, down 19.8% year on year. Adjustment items include one-time income/expense relating to restructuring (additions of JPY 0 million in this period and JPY 91 million in the previous period, respectively).

## (2) Explanation regarding financial position

### Assets

The balance of total assets in the first quarter of this consolidated fiscal year was JPY 519,781 million. The balance decreased by JPY 12,700 million compared to the previous consolidated fiscal year. The balance decrease primarily reflects trade receivables decreased by JPY 7,456 million, and a cash and cash equivalents decreased by JPY 4,759 million, mainly due to loan repayment and distribution of dividends, and other financial Assets decreased by JPY 2,957 million mainly due to changes in the fair value of securities. On the other hand, inventories increased by JPY 4,122 million.

### Liabilities

The balance of total liabilities in the first quarter of this consolidated fiscal year was JPY 382,486 million. The balance decreased by JPY 8,824 million compared to the previous consolidated fiscal year. The balance decrease primarily reflects a loan balance decreased by JPY 3,859 million due to the repayment despite mainly the impact of weakened yen. In addition, trade and other payables decreased by JPY 3,209 million.

### Equity

The balance of equity in the first quarter of this consolidated fiscal year was JPY 137,295 million. The balance decreased by JPY 3,876 million compared to the previous consolidated fiscal year. Retained earnings decreased by JPY 4,764 million mainly due to JPY 2,341 million of net loss and JPY (2,650) million of Dividends. On the other hand, other components of equity increased by JPY 960 million, mainly due to translation difference of foreign operations. In addition, the ratio of equity attributable to owners of parent to total assets decreased by 0.1 points from 26.6% at the end of the previous consolidated fiscal year to 26.5%.

## (3) Explanation regarding cash flow

Cash and cash equivalents at the end of this period amounted to JPY 34,833 million, reflecting a decrease of JPY 4,759 million from March 31, 2025.

The status of cash flows from each activity and the factors influencing them during this period are as follows:

### (Cash flows from operating activities)

Net cash provided by operating activities was JPY 5,383 million, which was an increase of JPY 173 million year on year.

### (Cash flows from investing activities)

Net cash used in investing activities was JPY 2,065 million and consisted mainly of purchase of property, plant, and equipment, and intangible assets of JPY 2,241 million. The decrease in net cash used in investing activities of JPY 1,175 million year on year was mainly due to a decrease in purchase of property, plant, and equipment, and intangible assets of JPY 1,365 million.

### (Cash flows from financing activities)

Net cash used in financing activities of JPY 10,546 million consisted mainly of repayments of long-term borrowings of JPY 6,893 million and dividends paid to owners of parent of JPY 2,462 million. The decrease in net cash used in financing activities of JPY 1,848 million year on year was mainly due to an increase in short-term borrowings of JPY 2,194 million.

(4) Explanation regarding future prospects (ex. forecasted consolidated business results)

As mentioned above, forecasts for consolidated financial results announced on May 13, 2025, remain unchanged. However, due to the transfer of some of corporate functions, the breakdown of operating profit and adjusted EBITDA by segment has been changed as follows.

Segments	Revenue (million yen)		Operating profit (loss) (million yen)		Adjusted EBITDA (million yen)	
	Before Change	After Change	Before Change	After Change	Before Change	After Change
Diabetes Management	96,200	96,200	14,400	14,000	19,100	18,800
Healthcare Solutions	132,300	132,300	8,200	8,100	18,900	18,800
Diagnostics and Life Science	133,700	133,700	7,200	5,600	17,800	16,300
Head office and Others	1,000	1,000	(12,400)	(10,400)	(10,700)	(8,700)
Total	363,100	363,100	17,400	17,400	45,200	45,200

## 2. Condensed consolidated quarterly financial statement and significant notes

### (1) Condensed quarterly consolidated statement of financial position

(Unit: million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	39,592	34,833
Trade receivables	70,530	63,074
Inventories	51,694	55,816
Other financial assets	4,308	3,897
Other current assets	6,665	7,273
Total current assets	172,790	164,894
Non-current assets		
Property, plant and equipment	48,374	45,892
Goodwill	206,500	207,806
Intangible assets	80,649	78,165
Investments accounted for using equity method	1,821	1,710
Other financial assets	13,932	11,386
Deferred tax assets	6,120	7,551
Other non-current assets	2,293	2,374
Total non-current assets	359,691	354,887
Total assets	532,482	519,781

(Unit: million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	65,665	62,467
Borrowings	34,278	250,526
Income taxes payable	4,207	2,289
Provisions	7,725	7,482
Other financial liabilities	5,812	5,770
Other current liabilities	22,865	23,376
Total current liabilities	140,555	351,912
Non-current liabilities		
Trade and other payables	597	586
Borrowings	220,982	875
Retirement benefit liability	5,544	5,582
Provisions	4,575	4,652
Other financial liabilities	8,358	7,757
Deferred tax liabilities	9,291	9,929
Other non-current liabilities	1,405	1,191
Total non-current liabilities	250,755	30,574
Total liabilities	391,310	382,486
Equity		
Share capital	48,623	48,781
Capital surplus	42,039	41,946
Retained earnings	2,991	(1,773)
Treasury shares	(568)	(568)
Other components of equity	48,553	49,514
Equity attributable to owners of parent	141,639	137,900
Non-controlling interests	(468)	(604)
Total equity	141,171	137,295
Total liabilities and equity	532,482	519,781



(2) Condensed quarterly consolidated statement of profit or loss and condensed quarterly consolidated statement of comprehensive income  
(Condensed quarterly consolidated statement of profit or loss)

(Unit: million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Revenue	85,187	83,856
Cost of sales	47,023	45,063
Gross profit	38,164	38,792
Selling, general and administrative expenses	36,201	34,962
Other income	232	276
Other expenses	94	254
Share of profit (loss) of investments accounted for using equity method	(74)	(8)
Operating profit	2,027	3,843
Finance income	133	45
Finance costs	4,922	5,879
Profit (loss) before taxes	(2,762)	(1,990)
Income tax expense	428	483
Profit (loss)	(3,191)	(2,474)
Profit (loss) attributable to		
Owners of parent	(3,173)	(2,341)
Non-controlling interests	(17)	(133)
Earnings (loss) per share		
Basic earnings (loss) per share (Unit: JPY)	(25.17)	(18.55)
Diluted earnings (loss) per share (Unit: JPY)	(25.17)	(18.55)

## (Condensed quarterly consolidated statement of comprehensive income)

(Unit: million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	(3,191)	(2,474)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(127)	188
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(1,120)	(1,942)
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	(10)	(80)
Exchange differences on translation of foreign operations	15,585	3,082
Share of other comprehensive income of investments accounted for using equity method	37	(102)
Other comprehensive income, net of taxes	14,364	1,144
Comprehensive income	11,173	(1,330)
Comprehensive income attributable to		
Owners of parent	11,194	(1,193)
Non-controlling interests	(21)	(136)
Comprehensive income	11,173	(1,330)

### (3) Condensed quarterly consolidated statement of changes in equity

(Unit: million yen)

	Equity attributable to owners of parent					Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Effective portion of cash flow hedges
As of April 1, 2024	48,423	41,797	(2,773)	(568)	—	(1,110)	(3)
Comprehensive income							
Profit (loss)	—	—	(3,173)	—	—	—	—
Other comprehensive income	—	—	—	—	(127)	(1,120)	(10)
Total comprehensive income	—	—	(3,173)	—	(127)	(1,120)	(10)
Issuance of new shares	72	(57)	—	—	—	—	—
Dividends to owners of parent	—	—	(2,268)	—	—	—	—
Forfeiture of share acquisition rights and Restricted Stock Unit	—	(12)	10	—	—	—	—
Share-based payment transactions	—	2	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(274)	—	127	146	—
Other	—	—	1	—	—	—	—
Transactions with owners	72	(67)	(2,530)	—	127	146	—
As of June 30, 2024	48,496	41,730	(8,478)	(568)	—	(2,084)	(13)

(Unit: million yen)

	Equity attributable to owners of parent					Other components of equity	
	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total	Total	Non-controlling interests	Total	
As of April 1, 2024	53,380	369	52,635	139,515	(351)	139,163	
Comprehensive income							
Profit (loss)	—	—	—	(3,173)	(17)	(3,191)	
Other comprehensive income	15,589	37	14,368	14,368	(4)	14,364	
Total comprehensive income	15,589	37	14,368	11,194	(21)	11,173	
Issuance of new shares	—	—	—	15	—	15	
Dividends to owners of parent	—	—	—	(2,268)	—	(2,268)	
Forfeiture of share acquisition rights and Restricted Stock Unit	—	—	—	(1)	—	(1)	
Share-based payment transactions	—	—	—	2	—	2	
Transfer from other components of equity to retained earnings	—	—	274	—	—	—	
Other	—	—	—	1	(19)	(18)	
Transactions with owners	—	—	274	(2,251)	(19)	(2,271)	
As of June 30, 2024	68,969	406	67,278	148,458	(392)	148,065	

(Unit: million yen)

	Equity attributable to owners of parent						
	Other components of equity						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	
As of April 1, 2025	48,623	42,039	2,991	(568)	—	(233)	(17)
Comprehensive income							
Profit (loss)	—	—	(2,341)	—	—	—	—
Other comprehensive income	—	—	—	—	188	(1,942)	(80)
Total comprehensive income	—	—	(2,341)	—	188	(1,942)	(80)
Issuance of new shares	158	174	—	—	—	—	—
Dividends to owners of parent	—	—	(2,650)	—	—	—	—
Forfeiture of share acquisition rights and Restricted Stock Unit	—	(39)	37	—	—	—	—
Share-based payment transactions	—	(229)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	188	—	(188)	—	—
Other	—	—	2	—	—	—	—
Transactions with owners	158	(93)	(2,422)	—	(188)	—	—
As of June 30, 2025	48,781	41,946	(1,773)	(568)	—	(2,175)	(98)

(Unit: million yen)

	Equity attributable to owners of parent					
	Other components of equity					
	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total	Total	Non-controlling interests	Total
As of April 1, 2025	48,447	357	48,553	141,639	(468)	141,171
Comprehensive income						
Profit (loss)	—	—	—	(2,341)	(133)	(2,474)
Other comprehensive income	3,085	(102)	1,148	1,148	(3)	1,144
Total comprehensive income	3,085	(102)	1,148	(1,193)	(136)	(1,330)
Issuance of new shares	—	—	—	332	—	332
Dividends to owners of parent	—	—	—	(2,650)	—	(2,650)
Forfeiture of share acquisition rights and Restricted Stock Unit	—	—	—	(2)	—	(2)
Share-based payment transactions	—	—	—	(229)	—	(229)
Transfer from other components of equity to retained earnings	—	—	(188)	—	—	—
Other	—	—	—	2	—	2
Transactions with owners	—	—	(188)	(2,546)	—	(2,546)
As of June 30, 2025	51,533	254	49,514	137,900	(604)	137,295

## (4) Condensed quarterly consolidated statement of cash flows

(Unit: million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit (loss) before taxes	(2,762)	(1,990)
Depreciation and amortization	7,312	6,661
Interest expenses	1,573	1,466
Decrease (increase) in trade receivables	8,045	8,007
Decrease (increase) in inventories	(1,937)	(4,037)
Increase (decrease) in trade payables	(4,090)	(3,294)
Other	284	3,043
Subtotal	8,426	9,855
Interest and dividends received	132	44
Interest paid	(1,742)	(1,375)
Income taxes paid	(1,607)	(3,150)
Income taxes refund	2	10
Net cash provided by operating activities	5,210	5,383
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(3,606)	(2,241)
Proceeds from sales of property, plant and equipment, and intangible assets	131	198
Other	235	(22)
Net cash used in investing activities	(3,240)	(2,065)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,857)	336
Repayments of long-term borrowings	(6,798)	(6,893)
Repayments of lease liabilities	(1,657)	(1,517)
Proceeds from issuance of shares	15	0
Dividends paid to owners of parent	(2,096)	(2,462)
Other	(0)	(10)
Net cash used in financing activities	(12,394)	(10,546)
Effect of exchange rate changes on cash and cash equivalents	1,857	2,467
Net increase (decrease) in cash and cash equivalents	(8,567)	(4,759)
Beginning balance of cash and cash equivalents	47,044	39,592
Ending balance of cash and cash equivalents	38,477	34,833

(5) Notes to condensed quarterly consolidated financial statements

**Notes for going concern**

Not applicable

**Segment information**

1) Reportable segments

Major business contents in each reportable segment are as follows:

Reportable segments	Major business contents
Diabetes Management	Development, manufacturing, and sales of blood glucose monitoring (BGM) systems, and sales of continuous glucose monitoring (CGM) systems
Healthcare Solutions	Development of clinical testing business, development and sales of medical IT products such as medical-receipt computers and electronic medical record systems, and development of drug discovery support business
Diagnostics & Life Sciences	Development, manufacturing, and sales of pathological diagnosis equipment, research and medical support equipment, diagnostic reagents and instruments, as well as motorized drug injection devices

## 2) Segment revenues and operating results

Three months ended June 30, 2024

(Unit: million yen)

	Diabetes Management	Healthcare Solutions	Diagnostic & Life Sciences	Subtotal	Others, adjustments and eliminations	Consolidated basis
Revenue						
Sale from external customers	23,241	30,252	31,031	84,525	662	85,187
Intersegment sales	—	—	—	—	—	—
Total	23,241	30,252	31,031	84,525	662	85,187
Operating profit (loss)	1,670	1,252	1,320	4,243	(2,216)	2,027
Financial income						133
Financial costs						4,922
Profit (loss) before taxes						(2,762)
Other items						
Depreciation and Amortization	1,673	2,507	2,946	7,127	184	7,312
Impairment losses	—	—	—	—	—	—

(Notes) “Others” of “Others, adjustments and eliminations” is an operating segment not included in reportable segments and “adjustments and eliminations” mainly includes eliminations of intersegment transactions and corporate expenses not allocated to each reportable segment.

Three months ended June 30, 2025

(Unit: million yen)

	Diabetes Management	Healthcare Solutions	Diagnostic & Life Sciences	Subtotal	Others, adjustments and eliminations	Consolidated basis
Revenue						
Sale from external customers	23,137	30,474	28,820	82,432	1,423	83,856
Intersegment sales	—	—	—	—	—	—
Total	23,137	30,474	28,820	82,432	1,423	83,856
Operating profit (loss)	3,953	860	708	5,522	(1,678)	3,843
Financial income						45
Financial costs						5,879
Profit (loss) before taxes						(1,990)
Other items						
Depreciation and Amortization	1,090	2,632	2,786	6,508	152	6,661
Impairment losses	—	—	1	1	—	1

(Notes) “Others” of “Others, adjustments and eliminations” is an operating segment not included in reportable segments and “adjustments and eliminations” mainly includes eliminations of intersegment transactions and corporate expenses not allocated to each reportable segment.

## Revenue

Disaggregation of revenue

Revenue disaggregation by reportable segments and major regions is as follows.

Three months ended June 30, 2024

(Unit: million yen)

	Diabetes Management	Healthcare Solutions	Diagnostic & Life Sciences	Other	Total
By region					
Japan	971	30,167	4,979	72	36,190
Europe	12,468	27	7,272	—	19,768
North America	5,326	1	14,676	—	20,004
Other	4,474	55	4,104	590	9,224
Total	23,241	30,252	31,031	662	85,187

Three months ended June 30, 2025

(Unit: million yen)

	Diabetes Management	Healthcare Solutions	Diagnostic & Life Sciences	Other	Total
By region					
Japan	898	30,261	4,466	66	35,693
Europe	12,822	109	7,939	—	20,871
North America	5,318	7	12,618	—	17,943
Other	4,098	96	3,795	1,356	9,347
Total	23,137	30,474	28,820	1,423	83,856