

**Leading manufacturer of COVID-19 antigen test kits and other in vitro diagnostic products**

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**[197A TAUNS Laboratories Sector : Pharmaceutical]**

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Jun. 2022	17,456	-	11,189	-	11,210	-	4,480	-	44.8	73.5	28.00
Jun. 2023	15,673	-10.2	4,967	-55.6	4,953	-55.8	3,034	-32.3	30.3	84.8	9.00
Jun. 2024 f	17,553	12.0	7,891	58.9	7,741	56.3	5,550	82.9	55.5	-	27.75

Note: Non-consolidated basis. Figures for the fiscal year ending June 2024 is the company's forecasts.

**Conducting In Vitro Diagnostics Business**

As an in vitro diagnostics manufacturer that develops, manufactures and sells rapid diagnostic test kits for infectious diseases caused by COVID-19, influenza and other viruses, TAUNS Laboratories is one of the leading companies in the domestic Point of Care Testing (POCT) market.

The company's net sales were centered on influenza antigen test kits until the launch of the SARS-CoV-2 antigen test kit in October 2020. Since the SARS-CoV-2 antigen test kit was launched, net sales of products related to COVID-19 infection have comprised more than half of total sales. In addition to COVID-19 and influenza viruses, the company manufactures and sells adenovirus, mycoplasma and many other antigen test kits.

**Sales**

TAUNS Laboratories provides its products through pharmaceutical wholesalers to hospitals, physicians, research institutions and bio-venture companies. As of the end of April 2024, TAUNS Laboratories had 35 sales staff, which is only about 13% of its total workforce, but 60% of these sales representatives have more than ten years of experience in the industry.

The Ministry of Health, Labour and Welfare accounted for 48.2% of the total sales in fiscal year ended June 2022. This was due to the purchase of antigen test kits by the Ministry amid the spread of COVID-19. Meanwhile, sales to the Suzuken group rose sharply in fiscal year ended June 2023, comprising 73.0% of the total. The reason for this was that while purchases by the Ministry disappeared, sales to medical institutions directly responsible for patient testing trended upward.

Moreover, at the end of 2021, TAUNS Laboratories signed a joint sales agreement with Shionogi regarding a SARS-CoV-2 antigen test kit.

**Manufacturing**

The company's sole production facility is the Kamishima Factory in Izunokuni City, Shizuoka Prefecture. However, it is currently constructing a plant in Mishima City, also in Shizuoka, with a view to expand future business and for business continuity planning (BCP) purposes. Operations at the new factory in Mishima are planned to start in December 2025, and the company's monthly production capacity will increase threefold from the current level.

## Financial Statements

Statement of income	Fiscal Year	Jun. 2022		Jun. 2023		Nine months to Mar.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		17,456	100.0	15,673	100.0	16,371	100.0
Cost of sales		2,774	15.9	6,473	41.3	5,061	30.9
Gross profit		14,682	84.1	9,199	58.7	11,310	69.1
Selling, general and administrative expenses		3,492	20.0	4,232	27.0	3,084	18.8
Operating profit		11,189	64.1	4,967	31.7	8,226	50.2
Non-operating income		29	-	8	-	42	-
Non-operating expenses		8	-	22	-	19	-
Ordinary profit		11,210	64.2	4,953	31.6	8,249	50.4
Profit before income taxes		7,975	45.7	4,654	29.7	8,246	50.4
Net profit		4,480	25.7	3,034	19.4	5,906	36.1

Balance sheet	Fiscal Year	Jun. 2022		Jun. 2023		Mar.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		12,035	59.4	9,456	51.6	18,153	59.6
Cash and deposits		6,347	31.3	1,244	6.8	8,282	27.2
Accounts receivable-trade		942	4.6	3,051	16.6	6,071	19.9
Inventories		4,588	22.6	4,586	25.0	3,725	12.2
Non-current assets		8,232	40.6	8,875	48.4	12,293	40.4
Property, plant and equipment		3,683	18.2	4,402	24.0	7,804	25.6
Intangible assets		4,137	20.4	3,910	21.3	3,771	12.4
Customer-related assets		3,180	15.7	2,953	16.1	2,783	9.1
Technology asset		895	4.4	795	4.3	721	2.4
Investments and other assets		411	2.0	562	3.1	717	2.4
Total assets		20,268	100.0	18,332	100.0	30,447	100.0
Current liabilities		8,936	44.1	6,517	35.5	13,845	45.5
Accounts payable - trade		1,390	6.9	1,143	6.2	1,360	4.5
Short-term borrowings		1,200	5.9	3,500	19.1	4,500	14.8
Current portion of long-term borrowings		732	3.6	732	4.0	732	2.4
Non-current liabilities		3,974	19.6	3,324	18.1	2,807	9.2
Long-term borrowings		2,968	14.6	2,236	12.2	1,687	5.5
Net assets		7,356	36.3	8,489	46.3	13,794	45.3
Owners' equity		7,348	36.3	8,480	46.3	13,786	45.3

Statement of cash flows	Fiscal Year	Jun. 2022	Jun. 2023
		(mn yen)	(mn yen)
Cash flows from operating activities		10,694	-3,157
Depreciation		567	639
Cash flows from investing activities		-2,679	-1,615
Cash flows from financing activities		-3,660	-330
Dividends paid		-1,800	-1,900
Net increase in cash and cash equivalents		4,354	-5,103
Cash and cash equivalents		6,347	1,244

Note: Non-consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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