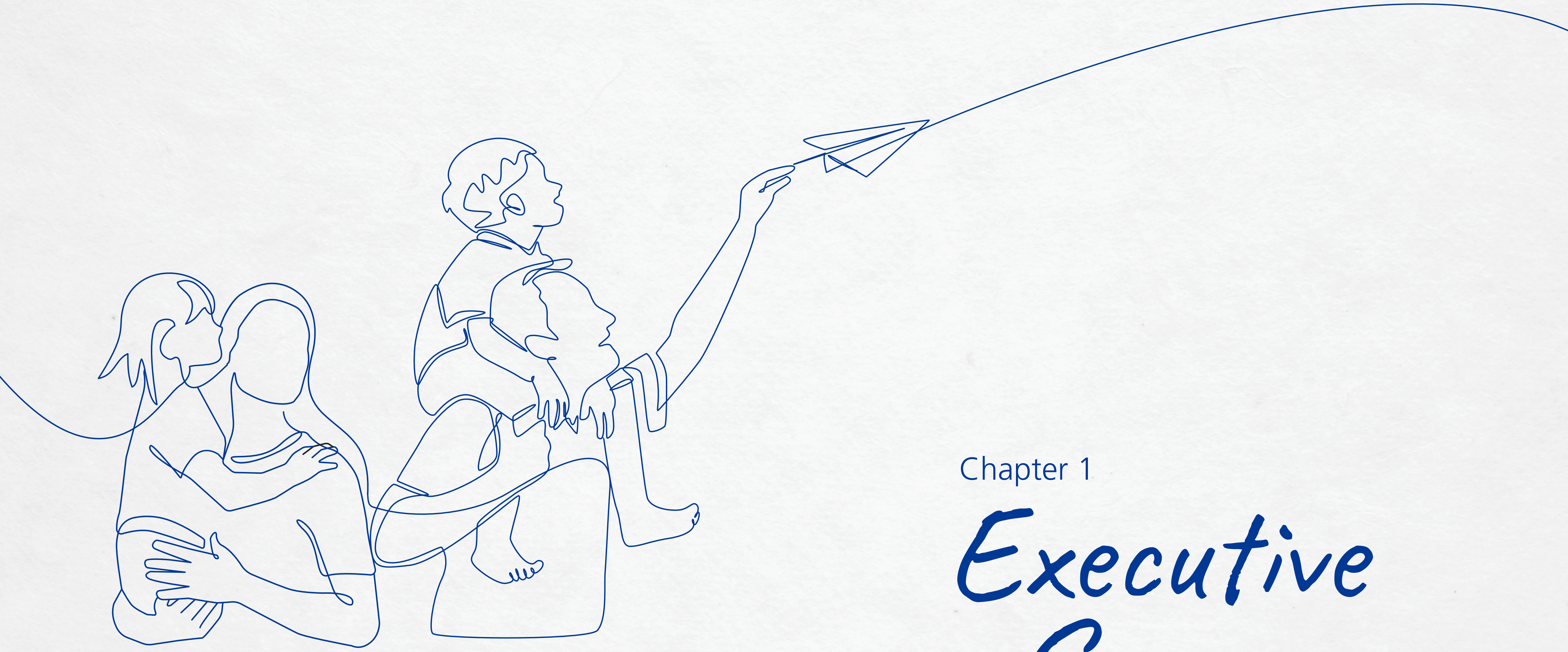


Chapter 1

Executive Summary

Mission, Vision, and Values

At PHC Group, we believe nothing is more important than health. From specialized medical equipment to healthcare IT solutions to research tools, our brands help people make better healthcare decisions and deliver higher-quality care.
Our goal is a future where high-quality healthcare is accessible to all.
We partner with scientists and medical professionals to provide precision healthcare technology where it is needed most.
Together, we are powering the future of healthcare.

MISSION

We contribute to the health of society through our diligent efforts to create healthcare solutions that have a positive impact and improve the lives of people

VISION

Be a leader in precision technology that powers the future of healthcare

Formulating a New Vision and Values with the Announcement of the Value Creation Plan 2027

In November 2024, PHC Group announced a new vision—"Be a leader in precision technology that powers the future of healthcare"—to coincide with the launch of our Value Creation Plan 2027. We will harness our strength in precision technology to contribute to a future where high-quality healthcare is accessible to everyone. By working closely with healthcare professionals and researchers, we aim to shape the future of healthcare and improve lives. To achieve this vision, we also established a new set of values: Curiosity, Courage to Act, Respect & Collaboration, and Integrity. These values serve as the guiding principles for all PHC Group employees, forming the foundation for achieving our goals and driving our collective success.

VALUES

Curiosity

- We seek to expand our understanding of the world and welcome inspiration from all sources.
- We continually ask how we can better serve our customers.

Respect & Collaboration

- We thrive as a global team—One PHC—based on mutual respect.
- We exchange and embrace diverse perspectives across borders and disciplines.

Courage to Act

- We challenge ourselves to unlock our true potential.
- We encourage one another to take on new challenges.

Integrity

- We prioritize ethical behavior above all else.
- We hold ourselves to the highest standards of honesty, fairness, and transparency.

CEO Letter

「Creating synergies together as One PHC, striving to become a leader in the future of healthcare」

1. First Year of Transformation: Growth and Innovation in Fiscal Year 2024

Fiscal Year 2024 Breakthrough: Growth and Innovation Driven by a New Management Structure

Since the launch of our current management structure in April 2024, PHC Group has been focused on achieving quarterly plans as we worked to turn around three years without growth. As a result of our steady efforts, including rigorous cost reductions from the beginning of the year, we achieved revenue of JPY 361.6 billion in fiscal year 2024 (up 2.2% YoY), and operating profit surged to JPY 22.6 billion. These represent the highest revenue and profit levels since our public listing on the Tokyo Stock Exchange, and even exceeded the forecasts that we revised upward during fiscal year 2024.

Despite facing changes in market conditions and other difficult challenges, our performance in fiscal year 2024 marks a significant turning point for PHC Group, made possible by the united efforts of our employees around the world.

We also introduced innovative new products to the market. The PHCbi brand LiCellMo™ live cell metabolic analyzer, which enables real-time visualization of changes in cell metabolism in a culture medium for research purposes, is our first product launched to support the field of cell and gene therapy. This product also reflects cross-divisional technological synergy, as it resulted from joint research conducted by the development teams of both our In Vitro Diagnostics (IVD) business and Biomedical (PHCbi) business.

In addition, Eversense® 365, a continuous glucose monitoring (CGM) system developed by our partner Senseonics and distributed by Ascensia, received U.S. FDA*1 clearance as the world's first CGM system capable of continuous use for up to one year*2.

Rising External Recognition and Momentum for the Future

PHC Group's portfolio of advanced products consistently earns strong recognition from third-party organizations each year. In fiscal year 2024, several of our products received industry awards, including the SlideMate laser printer from Epredia, which identifies and helps track tissue samples in the field of cancer diagnostics. The Eversense® 365 continuous glucose monitoring (CGM) system, distributed by Ascensia, was named the Best New Technology Solution in Diabetes Management at the 2025 MedTech Breakthrough Awards. Furthermore, Wemex's call center received the highest-level certification under the HDI Support Center International Certification Program*3, becoming the first organization in Japan's healthcare industry to receive recognition as an HDI Seven Star Certified Center. PHC Group as a whole was also recognized as one of the Top 100 Healthcare Technology Companies of 2024*4 by The Healthcare Technology Report*5, a research firm that evaluates businesses in the healthcare technology industry. This year of growing external recognition has provided significant momentum for our future.

*1. U.S. Food and Drug Administration
*2 On September 4, 2025, PHC Holdings Corporation and its subsidiary Ascensia Diabetes Care announced that Ascensia has signed a memorandum of understanding to transfer the commercial operations for Eversense® Continuous Glucose Monitoring (CGM) systems to Eversense maker Senseonics Holdings, Inc. The companies are targeting to unite Eversense R&D, manufacturing, and commercial activities within Senseonics beginning January 1, 2026, subject to a definitive agreement. https://ssl4.eir-parts.net/doc/6523/tdnet/2684179/00.pdf
*3 This program is based on the world's only publicly recognized international standard for evaluating and certifying the quality of support center, established in 2000 by the HDI International Standards Committee.
*4 https://thehealthcaretechnologyreport.com/the-top-100-healthcare-technology-companies-of-2024/
*5 https://thehealthcaretechnologyreport.com/

Kyoko Deguchi
President, Representative Director, and CEO
PHC Holdings Corporation

K. Deguchi

Focus on ESG and Company-wide Transformation

In fiscal year 2024, we made significant progress in our promotion of sustainability management, strengthening our commitment to ESG initiatives. Building on the materiality topics we defined in 2023, we introduced a new system to comprehensively calculate Scope 1, 2, and 3 greenhouse gas (GHG) emissions across PHC Group. This enabled us to develop a global data collection platform for visualizing emissions throughout our supply chain. As a result of these efforts, we earned an EcoVadis Commitment Badge in our first year of application. We were also selected for inclusion in the MSCI Japan ESG Select Leaders Index, a key indicator for ESG investment, a strong external recognition of PHC Group's proactive approach to ESG. Additionally, we formulated science-based GHG emission reduction targets and received validation from the Science Based Targets initiative (SBTi) on June 16, 2025 for our near-term GHG targets.

Under our new management structure launched in fiscal year 2024, we have clarified the importance of sustainability management across PHC Group and positioned ESG initiatives as one of our highest company-wide priorities. One notable achievement during the year was that all business divisions integrated ESG activities into their own operations.

Leveraging Precision Technology to Formulate a Forward-looking Value Creation Plan

For PHC Group, 2024 was a pivotal year that clarified our direction as a company. We advanced major initiatives for the future by defining a new vision and values and by formulating our Value Creation Plan (VCP) 2027.

In developing our new vision, we re-examined PHC Group's core strengths, and what clearly emerged was our long-cultivated precision technology—a legacy inherited from our origins at Matsushita Kotobuki Electronics, and the source of future value creation in the healthcare sector. Through extensive discussions with headquarters and each business division, we adopted a new vision: "to be a leader in precision technology that powers the future of healthcare." To support this vision, we established four core values: Curiosity, Courage to Act, Respect & Collaboration, and Integrity. These business values reflect the fundamental attitudes* and behaviors needed from group employees to achieve our VCP, and form the very core of our corporate culture. Grounded in our new vision and values, fiscal year 2024 was the first year of a strong push toward achieving our VCP 2027.

* Employees are expected to follow PHC Group values in the work that they do for PHC Group, but are not required to adopt our values as their personal values.

Promoting "Co-Creation" to Realize Our New Vision

To steadily implement our VCP and realize our new vision, it is essential that our entire group is aligned toward a common direction. PHC Group is comprised of multiple business entities with different histories and cultures. It is vital that we maximize synergies across business operations while leveraging each of their unique strengths. The key to enhancing group-wide competitiveness and recognition while respecting this diversity is the spirit of "co-creation," encapsulated in our slogan "One PHC."

In fiscal year 2024, we launched several initiatives based on a core question: How can we present our future growth to the market? We began by formulating a vision that is clear and resonates across PHC Group with the aim of achieving progress in business performance and sustainable growth. We then built the supporting values and the VCP to turn that vision into reality. In our monthly PHC Group town hall meetings, each business division shares examples of workplace practices based on our shared values, fostering deeper mutual understanding. I have also personally visited our sites around the world to engage in direct dialogue with employees through roundtable discussions. Through these efforts, we are building an organization where every employee takes ownership of our business priorities and proactively contributes to value creation.

We are also advancing a shift within our operational and technical functions, from remaining focused within their own domains to collaborating actively with other areas of the business. For instance, the integration of some sales offices to strengthen coordination between business divisions, the sharing of service departments enabling the cross-selling maintenance services, and the Monozukuri Conference held each year in Japan to celebrate improvement projects from different businesses. Together, these initiatives reflect a growing culture of learning and sharing strengths between businesses. I am passionately committed to driving this transformation of our corporate culture. The evolving mindset of each individual employee will lead to the evolution of PHC Group. It is with this spirit of innovation that we are boldly stepping into the future—together.

2. Addressing Healthcare Challenges: PHC Group's Strategies

Healthcare Challenges in an Aging Society

In our modern society—especially in Japan and the United States—population aging is hastening the rise of various chronic conditions such as diabetes, cancer, cardiovascular diseases, Alzheimer's disease and other types of dementia. In addition, changes in dietary habits have contributed to the global spread of lifestyle-related diseases.

Amid these trends, the need for more advanced and personalized treatments continues to grow, yet regional disparities in access to medical care and infrastructure are widening. In sparsely populated areas in particular, the reality is that accessibility and quality of healthcare is declining, while medical services increasingly concentrate in urban areas. In response to these multifaceted challenges, PHC Group remains committed to fulfilling its corporate responsibility and mission. We seek to advance value-based healthcare, an approach to care where success is measured by patient outcomes and where high-quality healthcare is accessible to more people at a more affordable cost. This concept serves as a vital foundation for achieving sustainable growth in the global healthcare market by maximizing the value of PHC Group's products and services and contributing to patient-centered healthcare.

PHC Group Solutions and Strategies

We aim to contribute to value-based healthcare with solutions attuned to the needs of patients in different healthcare settings, while addressing three essential challenges in healthcare: quality, access, and cost. PHC Group is leveraging our precision technology capabilities to develop products and services across three phases: monitoring (prevention, prognosis, and management), examination/diagnosis/treatment, and research and development.

We are also shifting our focus from conventional treatment after the onset of symptoms to upstream and downstream processes, including disease prevention and post-treatment prognosis management. In the future, we will increasingly concentrate on developing products and services that seek to help people maintain health and prevent the recurrence of illness. From health maintenance and early disease detection to treatment optimization and the creation of new healthcare technologies, we will continue to take on challenges that support value-based healthcare. Through our business operations spanning multiple domains, PHC Group is committed to enhancing our value as a company that enables social contribution on a global scale.

PHC Group's Position in an Increasingly Competitive Market

While the healthcare market continues to grow due to rising average life expectancy, competition is also growing increasingly intense. In response to this situation, our group's strategy is to select areas where we can leverage our strengths and secure leading market positions.

In fact, we have already secured strong market positions, including the top market share for electronic medical record (EMR) products for clinics in Japan and the second-highest global market share for ultra-low temperature (ULT) freezers. Looking ahead, we will continue to analyze the competitive landscape, identify markets in which we are competitive, and strive to gain a high market share in those selected domains to create sustainable corporate value.

3. Predominance of PHC Group, Built on Trust and History

PHC Group continues to contribute to improving healthcare, building on a foundation of advanced manufacturing capabilities and unwavering commitment to quality that we have cultivated over many years. Through our global supply capabilities and meticulous support systems, we deliver high-quality products and services worldwide. These strengths not only underpin the sustainable growth of PHC Group, but also serve as a driving force in advancing healthcare.

Strengths Backed by Proven Technology and Trust

Our greatest strengths lie in the precision technology capabilities inherited from our origins at Matsushita Kotobuki Electronics and in the manufacturing capabilities rooted in our unwavering commitment to absolute quality. The expertise behind our products has been passed down through generations, and our numerous awards in the development of medical devices serve as a testament to this reliability and technical expertise.

For instance, our LiCellMo™ live cell metabolic analyzer from PHCbi was launched in 2024 using core technologies cultivated during more than 30 years of blood glucose sensor development in PHC IVD. We received a 2024 Innovation Award from The Analytical Scientist magazine for LiCellMo™, symbolizing PHC Group's capabilities in driving and sharing technological innovation.

This technology is the result of joint research between the blood glucose sensor development team in the IVD business and the PHCbi business development team, both of which are located in Toon City, Ehime Prefecture, Japan. Its origins trace back to a blood glucose measurement system developed in the 1980s. In 1991, we introduced a portable blood glucose meter to the market. Weighing just 50 grams, it featured an automatic capillary mechanism using surface tension to allow high-precision measurement from a small blood sample. This innovation enabled diabetes patients to conveniently monitor their blood glucose levels at home, helping to improve quality of life and reduce economic burdens. We continued to refine this product through our collaboration with Bayer, from which we acquired a division that ultimately became Ascensia Diabetes Care.

In our PHCbi business, our ULT freezers and other core products are highly regarded by laboratories for handling valuable research specimens and cells. Another strength is our global supply capability spanning over 125 countries and regions. During the COVID-19 pandemic, our ULT freezers were used to store vaccines, and we maintained 24-hour operations despite challenging manufacturing conditions. This demonstrated the resilience of our global supply chain and facilitated the smooth distribution of large quantities of vaccines to countries and regions around the world.

PHC Group has also played a pioneering role in the digitalization of healthcare. Since releasing Japan's first medical-receipt computer in 1972, Wemex has been involved in the development of sophisticated medical fee calculation systems, contributing to the smooth operation of Japan's universal health insurance system. Recently, Wemex has taken on a central role in building the Japanese healthcare infrastructure, supporting the nationwide rollout of online eligibility verification and electronic prescriptions as part of the Japanese government's push for healthcare digital transformation.

4. Establishing Leadership in the Diagnostics & Life Sciences Domain

As announced in our VCP 2027, PHC Group will increase our focus on the Diagnostics & Life Sciences domain in the coming years. This strategic decision is based on a comprehensive assessment of our precision technology capabilities, global societal challenges such as aging populations and the rise of chronic diseases, as well as the strong market growth in this domain.

Going forward, we will primarily focus on the field of regenerative medicine in oncology. The cell and gene therapy market, in particular, is a promising area with an estimated market size of JPY 2.7 trillion and a projected annual growth rate of 16%. In this growth area, PHC Group will seek to deliver innovative solutions to support technologies and products that contribute to the diagnosis and treatment of cancer.

Specifically, our approach will focus on two key areas: improving the efficiency and accuracy of diagnoses, and reducing treatment and manufacturing costs.

- Improving the efficiency and accuracy of diagnoses: We will seek to leverage our reagent development technologies to provide biomarkers and monitoring reagents that support the advancement of personalized medicine. In addition, we will seek to leverage digital pathology solutions to make cancer diagnoses faster, more precise, and more efficient.
- Reducing treatment and manufacturing costs: Using our sensor and cell culture technologies, we will seek to support the entire cell gene therapy development process from research to mass production, including the provision of next-generation cell expansion system that facilitates the rapid optimization of cell culture conditions. In this manner, we will provide innovative solutions that enhance the efficiency and cost-effectiveness of cell cultures in cell gene therapy manufacturing.

PHC Group also aims to realize our vision of powering the future of healthcare with precision technology by focusing efforts on the development of technologies for devices that contribute to streamlining workflows in areas such as cell gene therapy and cancer diagnostics.

By 2030, we aim to further establish our solid position as a global leader in the Diagnostics & Life Sciences domain.

To achieve this, we will continue to foster a culture where every employee is empowered to take on challenges without fear. We are committed to creating corporate value that earns the trust and meets the expectations of all our stakeholders. What can we do to enrich society? As we reflect deeply on this question, PHC Group will fulfill its mission as a company that continuously contributes to the advancement of healthcare.

5. Furthering Our Position As a Global Japanese Leader in the Healthcare Industry

Driven by the precision technology capabilities we have inherited since the Matsushita Kotobuki Electronics era, we remain committed to our pursuit of innovation. As the needs of the medical field continue to become increasingly diverse and sophisticated, particularly in areas such as cell and gene therapy and cancer diagnostics, we will maximize synergies within PHC Group and contribute to solving social challenges by developing new products and services. While there remains significant room for efficiency improvements in the drug development process, we will focus not only on emerging fields but also on adjacent fields where our technological strengths can be leveraged.

As a global company based in Japan, we aim to elevate PHC Group's presence and impact around the world. Looking ahead, we will deliver value by achieving exceptional outcomes in our areas of expertise. Both as an innovator in precision cancer diagnostics solutions, enabling more accurate, timely, and convenient diagnoses, and as an accelerator and enabler for the early development of advanced cancer treatments, our goal is to accelerate the evolution of medical research and clinical practice.

As we expand our business globally, we will also need to be agile in responding to unpredictable external factors such as geopolitical risks and inflation risks. To prepare for such risks, PHC Group is building a robust manufacturing and supply chain infrastructure so we can deliver solutions tailored to the diverse needs of communities around the world.

We are committed to creating a future where high-quality healthcare is accessible to all. Building on our foundation of precision technology, we will co-create the future of healthcare with medical professionals and researchers and pave the way for improving lives and the health of society. We invite you to join us in looking forward to what lies ahead.

PHC Group History

As a partner supporting healthcare professionals and researchers, PHC Group has contributed to the advancement of medical treatment and healthcare for many years. Integrating our heritage with manufacturing excellence, we consistently deliver high-quality and trusted products and services.

1937

Pathology Solutions

Shandon/Thermo Bio Analysis established in the UK

1966

Laboratory and Medical Support Equipment

Started the pharmaceutical refrigerator business (Sanyo Iyou Kiki Hanbai Co., Ltd.)

1969

Founded as Matsushita Kotobuki Electronics Co., Ltd.

1972

Healthcare IT Solutions

Started the medical systems business (Sanyo Electric Co., Ltd.)

1981

Diagnostic Devices

Started the diagnostic equipment business (DIA-IATRON CO.,LTD.)

1991

Started the BGM system business (Matsushita Kotobuki Electronics Co., Ltd.)

2010

Renamed as Panasonic Healthcare Co., Ltd.

2012

Acquisition of the healthcare business from Sanyo Electric Co., Ltd.

2014

Carved out from Panasonic Group, started operations as Panasonic Healthcare Holdings Co., Ltd.

2016

ASCENSIA Diabetes Care

Acquisition of diabetes care business from Bayer AG to establish Ascensia Diabetes Care Holdings AG

2018

Corporate brand changed from Panasonic Healthcare to PHC

PHC

2019

epredia

Acquisition of anatomical pathology business from Thermo Fisher Scientific Inc. to establish Epredia Holdings Ltd.

Acquisition of all shares of LSI Medience from Life Science Institute, Inc.

LSI Medience

2021

PHC Holdings Corporation listed on the First Section (Currently Prime Market) of the TSE*1

2023

WEMEX

Wemex Corporation*2 began operations

Mediford Corporation*3 began operations

mediford

*1 Newly listed on October 14, 2021 (Securities Code: 6523, TSE Prime).

*2 Integration of Medical Information Systems (Medicom) Business Unit of PHC Corporation and PHC Medicom Corporation.

*3 The clinical trial business of LSI Medience Corporation was integrated into a subsidiary of LSI Medience Corporation, and made the company a subsidiary of PHC Holdings Corporation.

PHC Group History: A Journey of Precision Technology and Manufacturing Excellence

1960- | 1990- | 2020-Today

Blood Glucose Monitoring (BGM) Systems

1969
Launched the first-ever portable blood glucose monitoring device

The Industry's 1st

1991
Launched Electrochemical blood glucose monitoring (BGM) system

The World's 1st

2003
Introduced CONTOUR®, the first self-monitoring blood glucose meter with No Coding technology


Sold over 3 billion sensors annually, **ranking third globally in market share**


2024
Introduced LiCellMo™, enabling the visualization of cellular metabolism by leveraging blood glucose sensor technology


Laboratory and Medical Support Equipment

1966
Launched pharmaceutical refrigerators

Japan's 1st

1977
Launched the ultra-low temperature (ULT) freezers


1991
Introduced an ULT freezer achieving the industry's lowest temperature in Japan

Industry-lowest temperature

1998
Launched ULT freezers equipped with vacuum insulation panels (VIP)


2020
Our equipment was utilized globally for the storage of COVID-19 mRNA vaccines, contributing to their distribution

Continued innovations in energy efficiency and dual cooling systems, achieving **the second-highest global market share and the top share in Japan**


1984
Launched CO_2 incubators


2009
Launched a CO_2 incubator with H_2O_2 decontamination functionality

The Industry's 1st

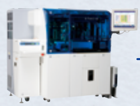
2014
Launched a CO_2 incubator with an integrated inner chamber and shelf support


Pursued high-precision control, contamination prevention, and ease of use, **achieving the second-highest global market share and the top share in Japan**


Diagnostic Devices

1982
Launched latex agglutination chemiluminescent immunoassay analyzer (LPIA-1)

The Industry's 1st diagnostic technology

2007
Launched STACIA, fully automated clinical testing system, featuring six measurement methods


2019
Launched the STACIA CN10, a fully automated blood coagulation analyzer, offering simplified operation and four measurement techniques


2005
Introduced PATHFAST, a rapid and highly sensitive compact device employing the CLEIA method


2016
Introduced a lightweight version of PATHFAST designed for emergency care


Pathology Solutions

1988
Launched SuperFrost Plus microscope slide, which later became the industry benchmark


2021
Achieved a 33% improvement in surface flatness through continuous innovation


2023
Launched the eco-friendly SlideMate Laser PLUS microscope slide for laser printers, achieving **the top global market share**


Healthcare IT Solutions

1972
Began sales of medical-receipt computers

Japan's 1st

1980
Launched medical-receipt computers for pharmacies

1999
Launched electronic medical record (EMR) systems


2007
Launched EMR systems integrated with medical-receipt computer


2025
Launched fully cloud-based EMR systems


Contributed to the Japanese government's healthcare digital transformation by facilitating the adoption of the Online Eligibility Verification System and electronic prescription systems

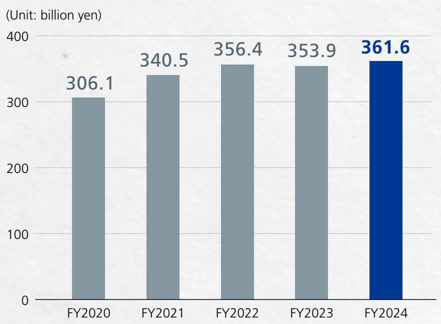
At a Glance

PHC Group is a global network of companies offering a range of products and services in precision technology for healthcare.
Looking at key impact numbers is one way to understand PHC Group's characteristics and strengths.

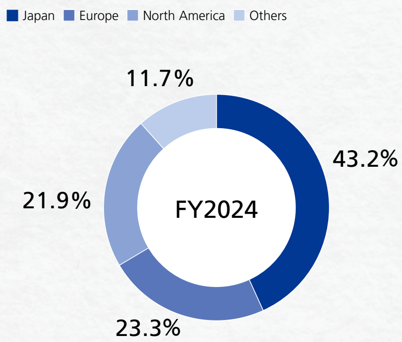
Financial

As of March 31, 2025

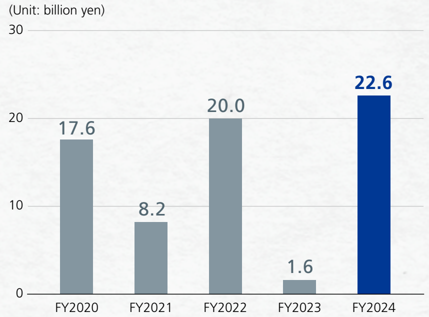
Consolidated revenue



Ratio of consolidated revenue



Consolidated operating profit



Dividend per share and dividend payout ratio

	FY2023	FY2024
Dividend per share (yen)	54	42
Dividend payout ratio* (%)	-	50.5

* Dividend payout ratio (%) = Annual dividend per share ÷ Basic earnings per share

Non-Financial

As of March 31, 2025

PHC GROUP

Over **125** Countries and Regions

PHC Group's wide range of products and services are used in more than 125 countries and regions.

Percentage of managers who are female

24.3%

Percentage of members of management who are female*

30%

Percentage of members of management from outside Japan*

30%

* Directors and auditors