



*Please note that this translation is to be used solely as reference.
In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Consolidated Financial Results for the fiscal year ended Mar 31, 2025



June 4, 2025

Kazuhiro Hatano

President&CEO, Linical Co., Ltd.

Agenda



1. Company Overview
2. Financial Results for FY ended March 2025
3. Forecasts of FY ending March 2026
4. Management Strategy

Company Overview



Company overview

Company name	Linical Co., Ltd.
Address	1-6-1 Miyahara, Yodogawa-ku, Osaka City
Establishment	June 7, 2005
Representative	Kazuhiro Hatano, Representative Director
Capital	214 million yen
Business description	CRO business accepting contract drug development work
Number of employees	669 (as of March 31, 2025)

Establishment history

2005 Yamanouchi Pharmaceutical Co., Ltd., and Fujisawa Pharmaceutical Co., Ltd., merged (Astellas Pharma Inc.)
→ Founding of the company **centered on members formerly in charge of new drug development at Fujisawa Pharmaceutical.**

Management philosophy

Linical provides quality as a **professional** and pursues the happiness of stakeholders: pharmaceutical companies, medical institutions, patients, shareholders and employees.

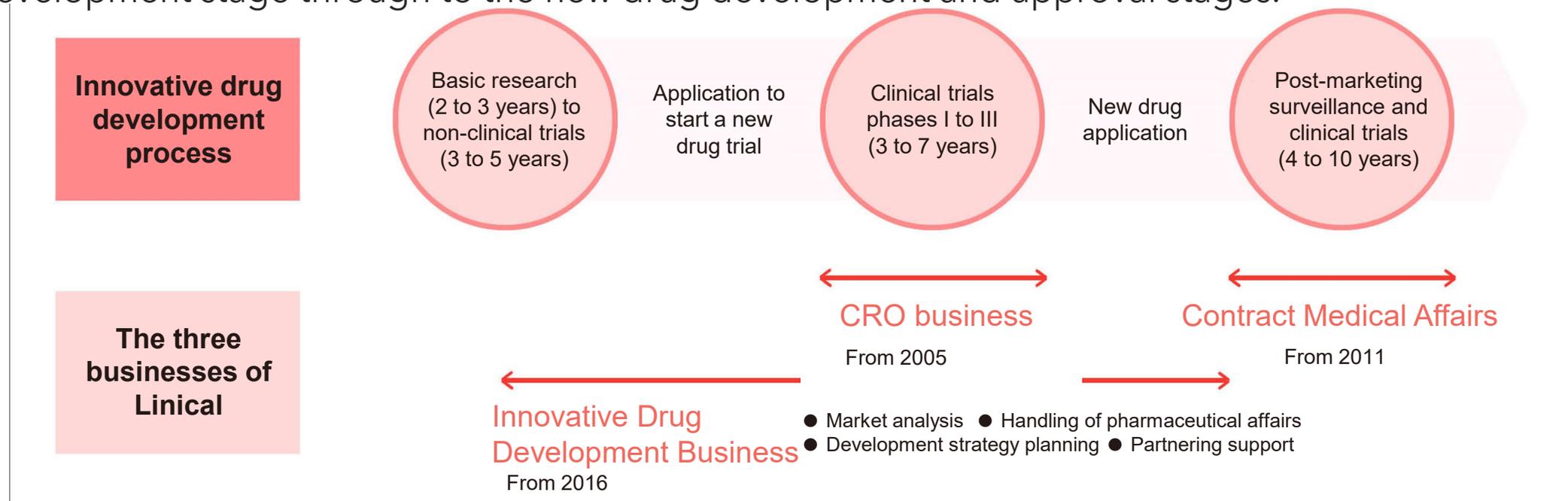
International certification

Linical has acquired **ISO/IEC 27001 certification**, an international standard for **information security management systems (ISMS)**, at all group bases.



The Three Businesses of Linical

- We specialize in clinical development and cover the entire process from the innovative drug development stage through to the new drug development and approval stages.



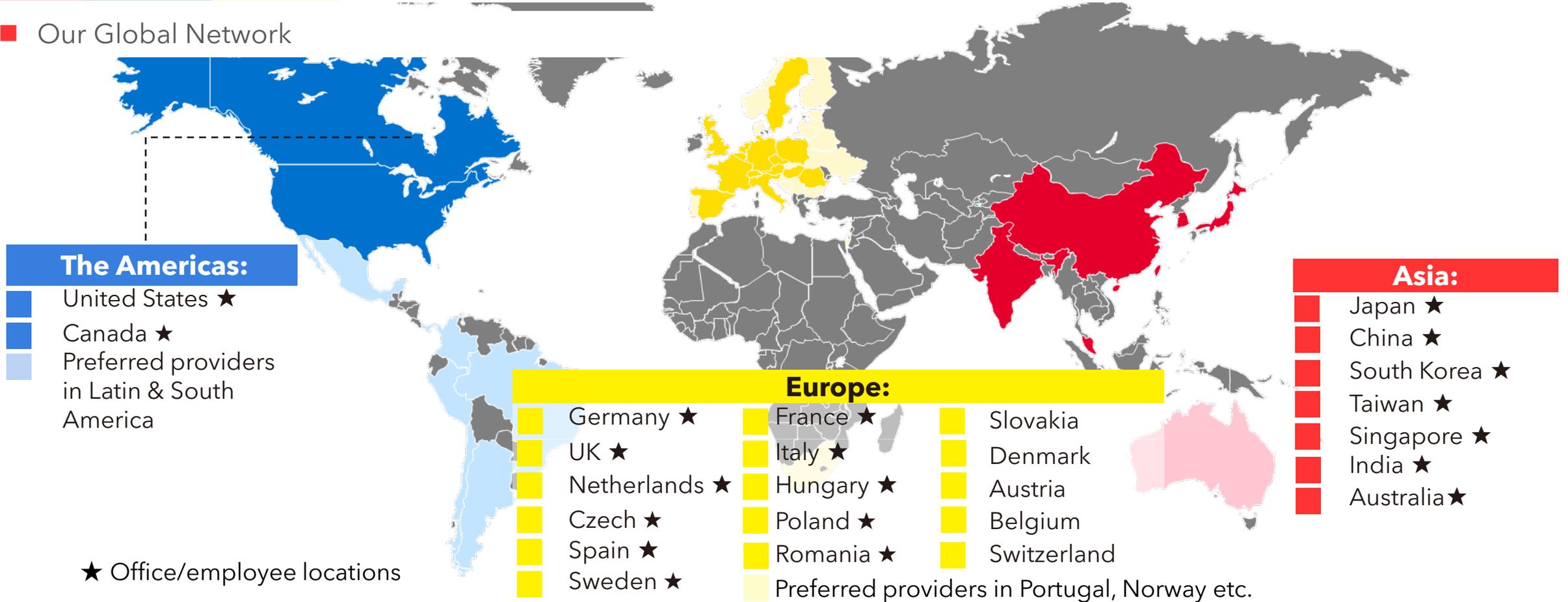
1. CRO Business: Implementing on client's behalf and supporting operations related to clinical trials conducted in the drug development stage

2. Contract Medical Affairs business: We support post-marketing clinical research and marketing activities

3. Innovative Drug Development Business: We provide consulting services that give total support for a wide range of pharmaceutical development activities including market analysis, the formulation of pharmaceutical affairs and development strategies, the selection of marketing partners, and the conclusion of contracts.

Global CRO originating from Japan

■ Our Global Network

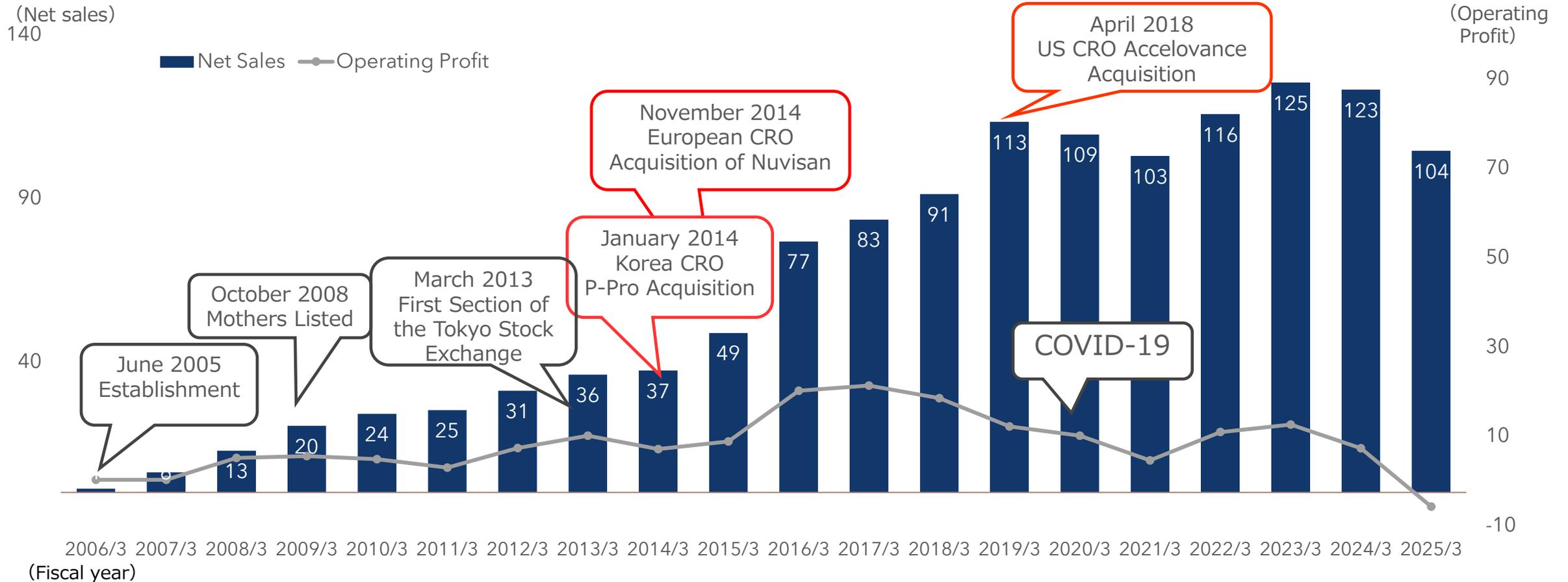


Contributing to new drug development as a professional in drug development with the aim of becoming a global contract research organization (CRO) originating from Japan

Currently has employees in about 20 countries/regions. Providing services in about 30 countries including affiliated partners

Steady Growth through Overseas M&A

Sales and Operating Income since Establishment (Billions of Yen)

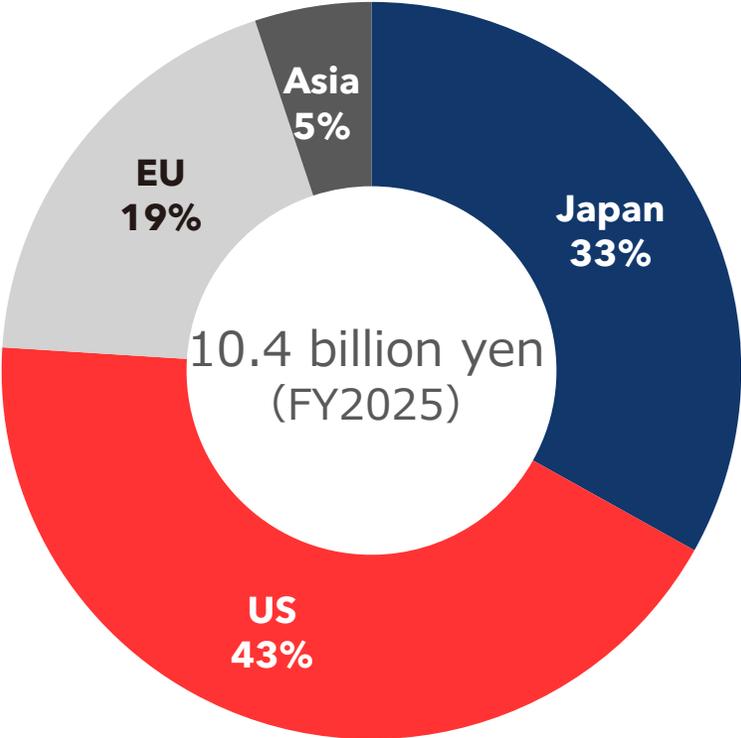


Growth centered on overseas business through M&As in South Korea, Europe, and the United States

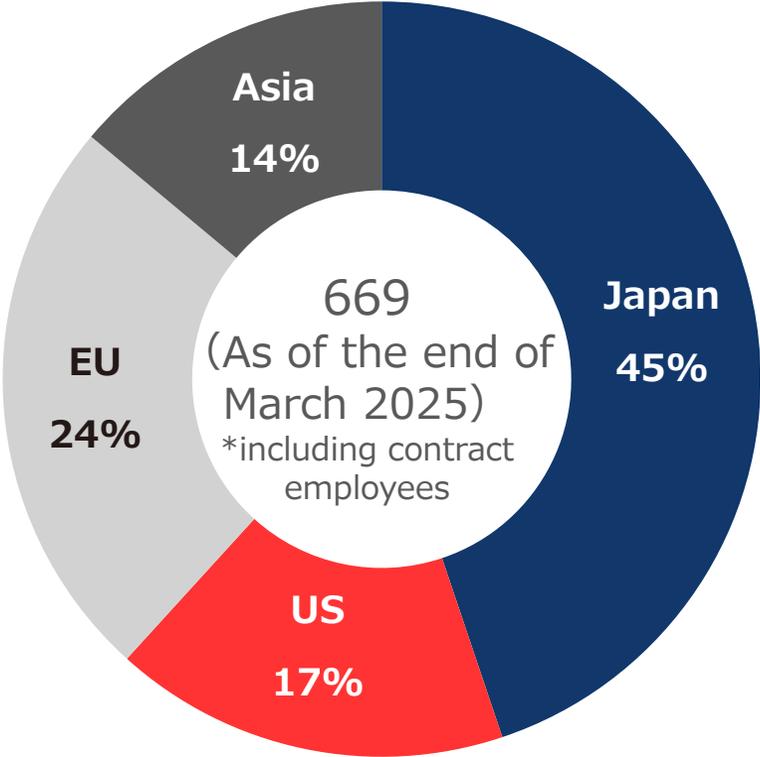
Sales and Employee Ratios by Region



■ Net Sales : Overseas ratio 67%



■ Number of employees: Overseas ratio 55%



Overseas ratio is more than 50% in terms of both sales and number of employees

Selected as Best CRO in the United States



■ Global Excellence Awards

Received an International CRO Service Provider award from Global Health & Pharma (GHP) Magazine of the United States

Best International CRO 2023

Best Global CRO 2024



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Consolidated Financial Results



Units: Millions of yen, %	FY ended March 2024		FY ending March 2025 Forecasts (February 14, 2025)	FY ended March 2025		
	Amount	Sales Ratio		Amount	Sales Ratio	Year-on-Year
Net Sales	12,307	100.0	10,430	10,437	100.0	△15.2
Cost of Sales	8,529	69.3	—	8,061	77.2	△5.5
SG&A Expenses	3,052	24.8	—	2,959	28.4	△3.1
Operating Profit	725	5.9	△650	△583	△5.6	—
Ordinary Profit	790	6.4	△550	△498	△4.8	—
Net Profit	338	2.7	△570	△539	△5.2	—

■ Net sales:

Revenue increased in the United States, but decreased significantly in Japan and Asia.

■ Operating profit:

The impact due to decreased revenue in Japan and the Asia region was significant and led to an operating loss.

■ Ordinary Profit:

The Group recorded interest income and foreign exchange gains

Financial Results by Region



- **Japan: Decreased revenue and switch to operating loss**
 - The drug loss situation continues and the market environment is severe.
 - Revenue decreased due to the inability to recover from the impacts of the cancellation or shortened timeframes of several large existing projects that occurred in the previous fiscal year.
 - The order backlog increased from the end of the previous fiscal year due to sales activities aimed at overseas companies in cooperation with European, United States and Asian business.
- **United States: Increased revenue and decreased profit**
 - Progress of existing trials exceeded expectations, and revenue increased due to contract changes for increased person-hours.
 - Decreased profit due to the impacts of higher personnel expenses and increased outsourcing costs.
- **Europe: Decreased revenue and contraction of operating loss**
 - Although results based on the strengthening of the sales structure are being realized, the contribution to the current fiscal year is limited and revenue decreased.
 - Losses contracted due to a review of expenses, etc.

Financial Results by Region



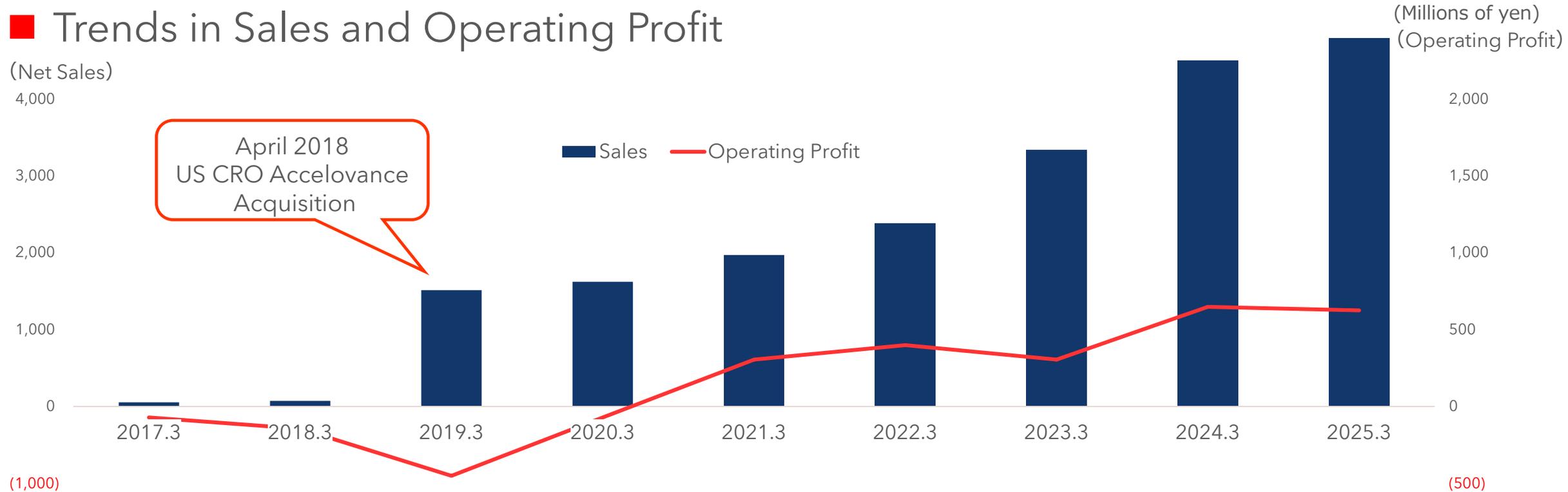
Unit : Millions of yen	FY ended March 2024			FY ended March 2025					
	Net Sales **	Operating Profit	Ordinary Profit	Net Sales **	Rate of Change %	Operating Profit	Rate of Change %	Ordinary Profit	Rate of Change %
Japan	5,101	363	496	3,676	△27.9	△585	—	△562	—
United States	4,498	648	680	4,789	6.5	625	△3.6	696	2.3
Europe	3,220	△44	△111	3,089	△4.1	△37	—	△70	—
Korea	970	128	121	751	△22.6	△79	—	△15	—
Taiwan	107	△19	△19	84	△21.4	△39	—	△37	—
China	280	△61	△68	188	△32.8	△22	—	△23	—
Consolidation Adjustments*	△1,872	△289	△309	△2,142	—	△445	—	△485	—
Total	12,307	725	790	10,437	△15.2	△583	—	△498	—

* Amortization of goodwill is included in consolidation adjustments. ** Net sales have calculated before deducting internal transactions.

Financial Results by Region: US



Trends in Sales and Operating Profit



- Business in the United States has grown steadily after the acquisition of a local CRO in April 2018. Revenue also increased in the fiscal year ended March 31, 2025.
- In the current fiscal year, we will achieve sustainable growth as we capture vigorous development demand from biotech companies.

Balance of Goodwill and Remaining Amortization Period (As of March 2025)



Unit : Millions of yen	Goodwill			Related intangible assets other than goodwill *2		
	Balance at End of Term	Remaining Amortization Period(year)	Annual Amortization *3	Balance at End of Term	Remaining Amortization Period(year)	Annual Amortization *3
KOREA	Termination of depreciation in FY 2019			Termination of depreciation in FY 2019		
EUROPE *1	1,195	8-9	147	6 57	2 5.7	3 10
USA *1	1,949	9	220	22	2	11
TOTAL	3,144	—	368	85	—	24

*1 Goodwill generated by the acquisition of Linical Accelovance America, Inc., has been apportioned pro rata to its European subsidiary.

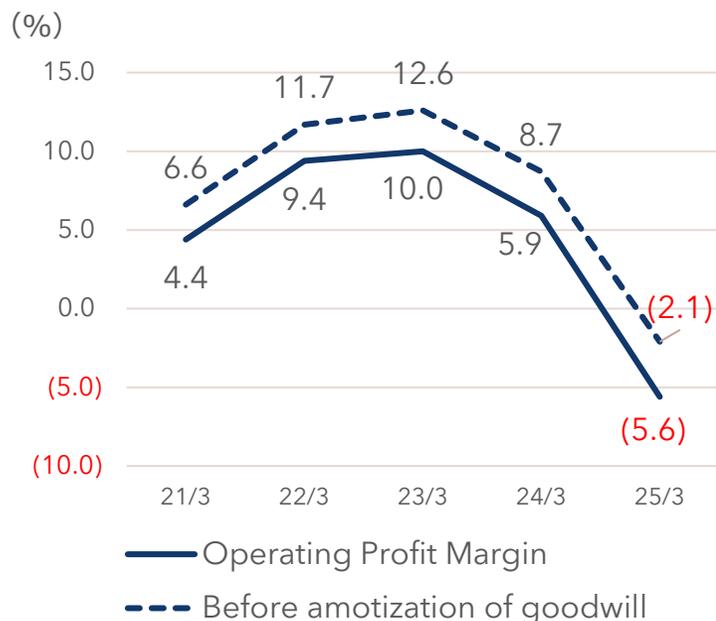
*2 Intangible assets other than goodwill recognized by purchase price allocation.

*3 Figures have been converted at the exchange rate as of the end of the fiscal year ended March 2025.

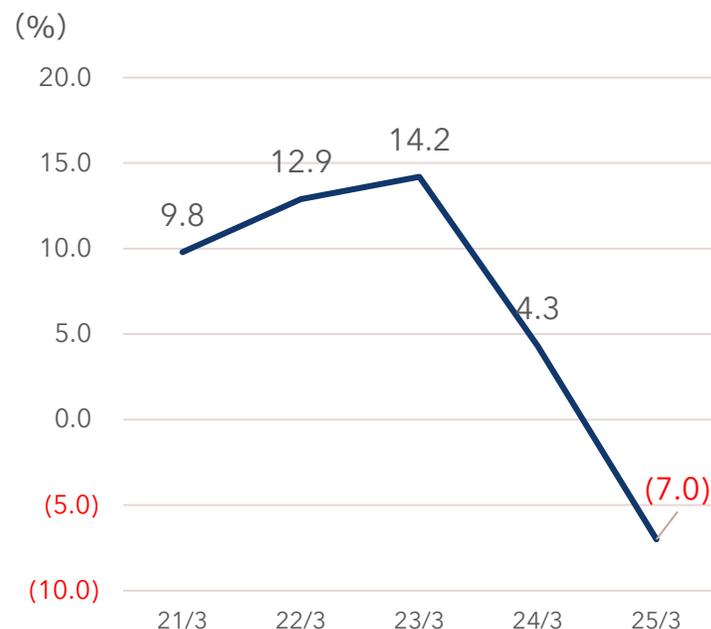
Key Financial Indicators (Past 5 Years)



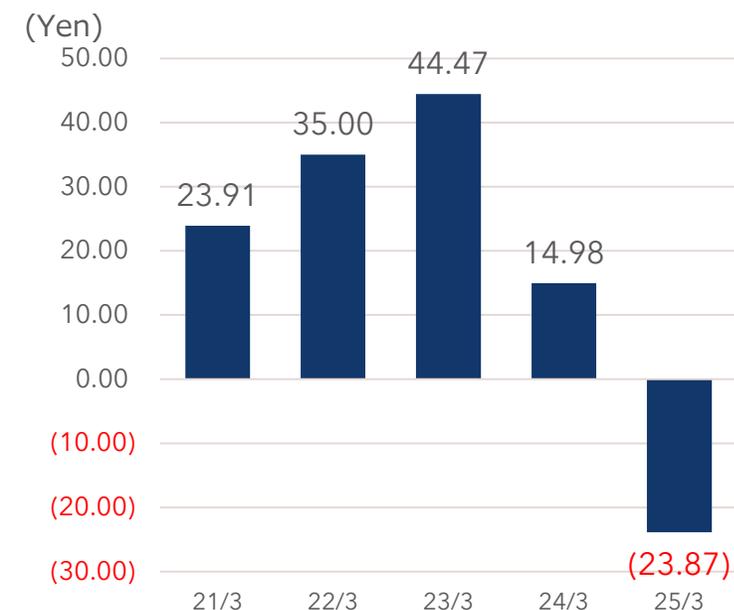
Operating profit margin



ROE



EPS



Medium to long-term goal of
in excess of 20%
(Before amortization of goodwill)

Each indicator deteriorated due to lower sales and profits resulting from cancelled and suspended projects that occurred in the fiscal year ended March 31, 2024.

We will aim to return to profitability in the fiscal year ending March 31, 2026 by completing compensation for those cancelled or suspended projects.

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Outlook for Current Term by Region



■ Japan:

- The severe business environment continues due to the impacts of drug loss.
- On the other hand, as a result of sales activities, inquiries for new projects from domestic and overseas pharmaceutical companies increased.
- We will aim to win more orders by expanding the scope of services we focus on, including initial-phase work on clinical trials and FSP model work.

■ Asia:

- Although impacts of the medical strike in South Korea remain, orders for new projects increased centered on data management and statistical analysis work.
- The acquisition of new projects from Japanese companies in China and from domestic and overseas companies in Taiwan is advancing.

■ United States:

- We expect to complete existing large projects on schedule.
- We have had numerous inquiries for new projects, including some large-scale projects, and will continue the strengthening of sales towards their acquisition.
- The impact of the presidential decree on drug price reductions is uncertain and we will monitor trends from now on closely.

■ Europe:

- The acquisition of orders is progressing based on the strengthening of cooperation with the United States.
- We will aim for the acquisition of international joint clinical trials and continue sales activities in global cooperation.

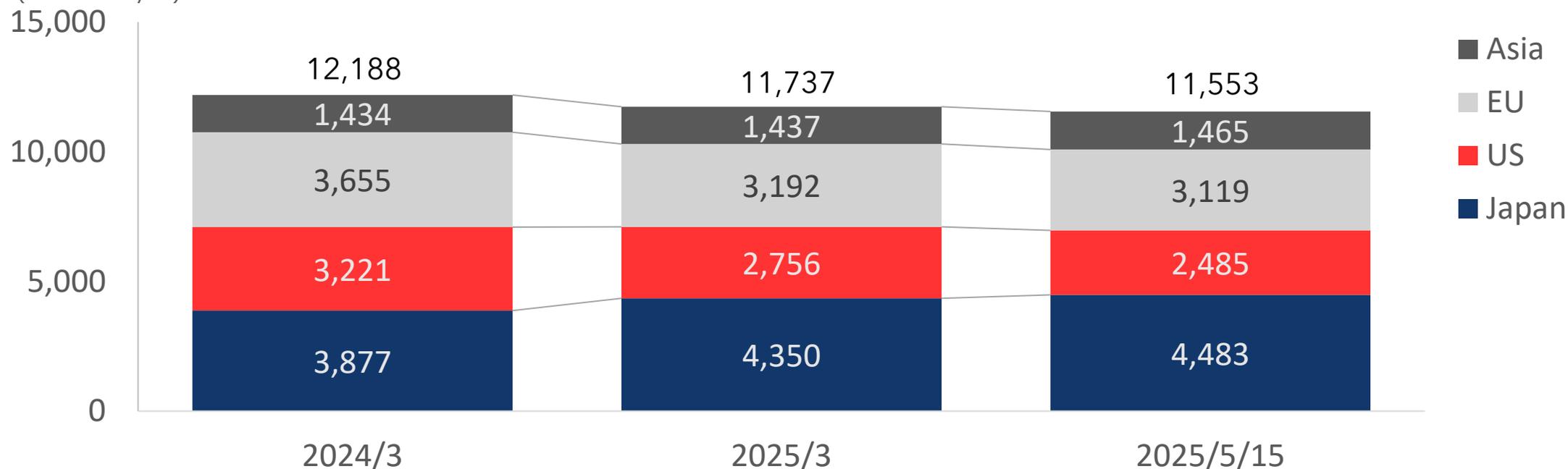
Hard Backlog by Region

* Hard backlog:

The balance of the amount for orders for contract business already concluded.

This is an indicator that shows the amount of sales to be generated over the next one to five years and serves as the basis for the group's future results forecasts.

(Millions of yen)

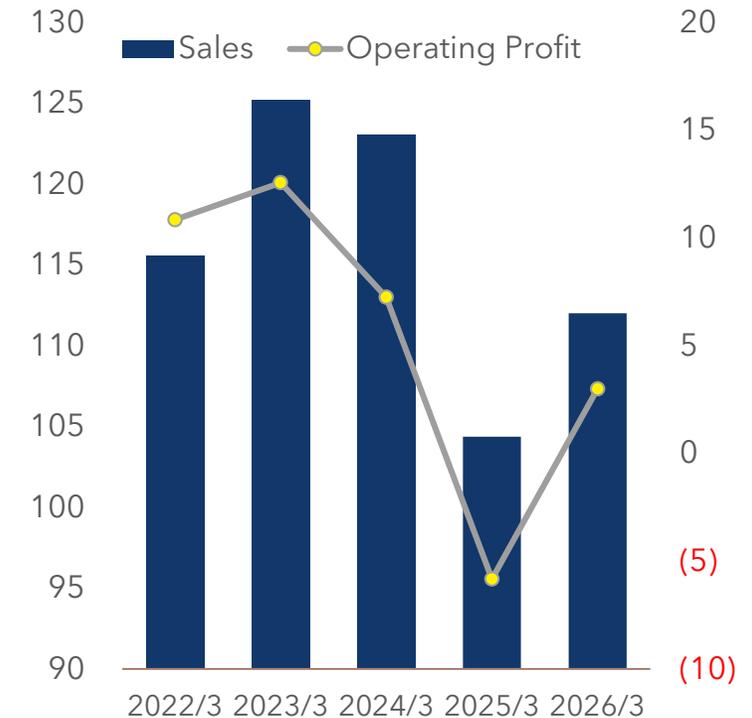


- In the fiscal year ended March 31, 2024, the order backlog decreased significantly due to the cancellation of development or the shortening of development periods for multiple large projects.
- In Japan and Asia, the order backlog has increased from the fiscal year ended March 31, 2024 due to the acquisition of multiple new projects and contract changes.
- In the United States and Europe, while sales of existing projects are being recorded, sales have decreased since the end of March 2024 due to factors such as the implementation of trials for which we had obtained informal orders being postponed.

Full-Year Forecast



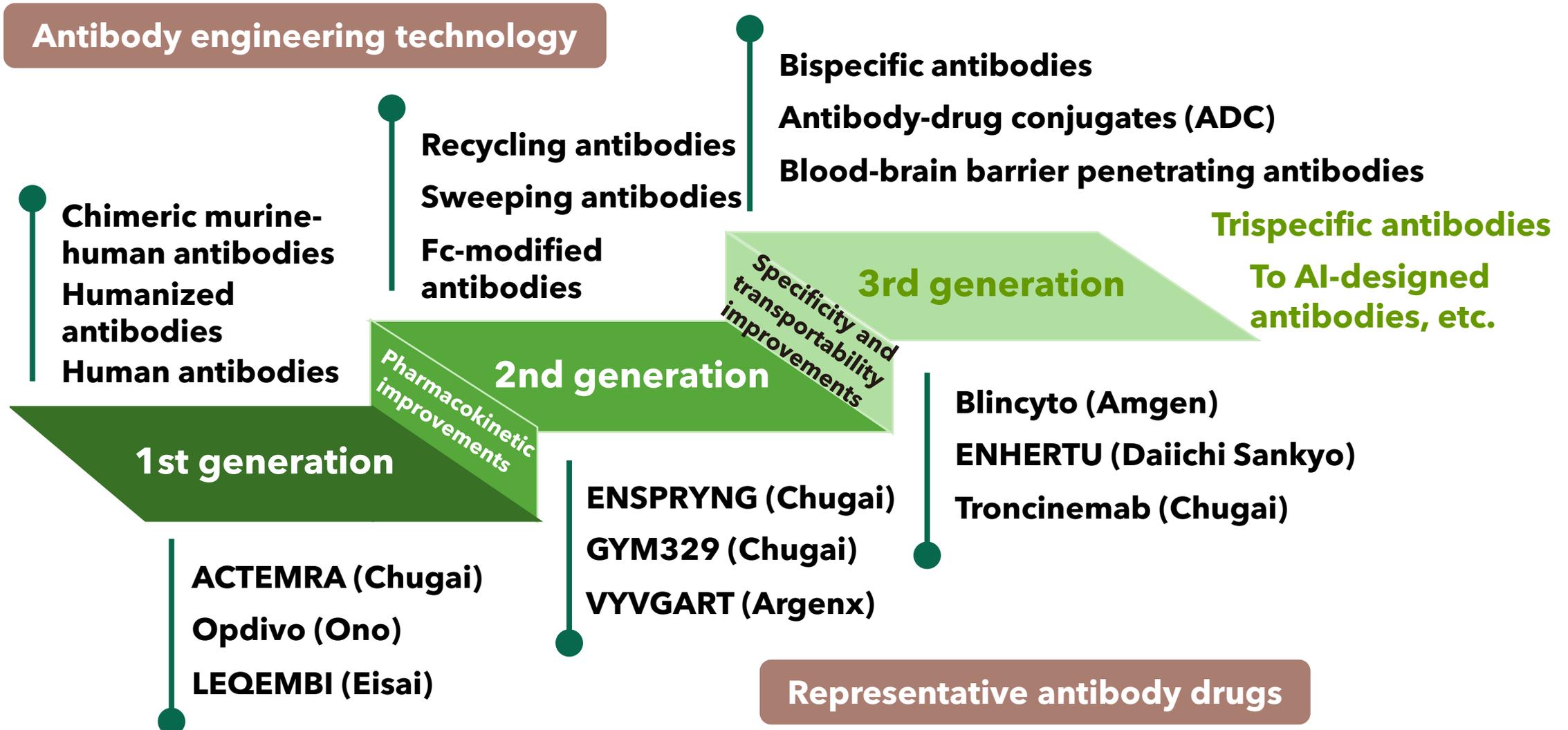
Unit: Millions of yen	FY ended March 2025		FY ending March 2026 forecasts		
	Amount	Sales Ratio	Amount	Sales Ratio	Rate of Change
Net Sales	10,437	100.0	11,200	100.0	7.3
Operating Profit	△583	△5.6	300	2.7	—
Ordinary Profit	△498	△4.8	320	2.9	—
Net Profit	△539	△5.2	150	1.3	—
	Amount (yen)	Payout ratio (%)	Amount (yen)	Payout ratio (%)	
Dividend per share	16.00	—	16.00	240.9	



We expect an increase in sales and profits due to growth in the United States and recovery in Europe, Japan and Asia.

We are planning the same dividend per share as the fiscal year ended March 31, 2025.

Increase in new development of evolving antibody drugs and the strengthening of response capabilities



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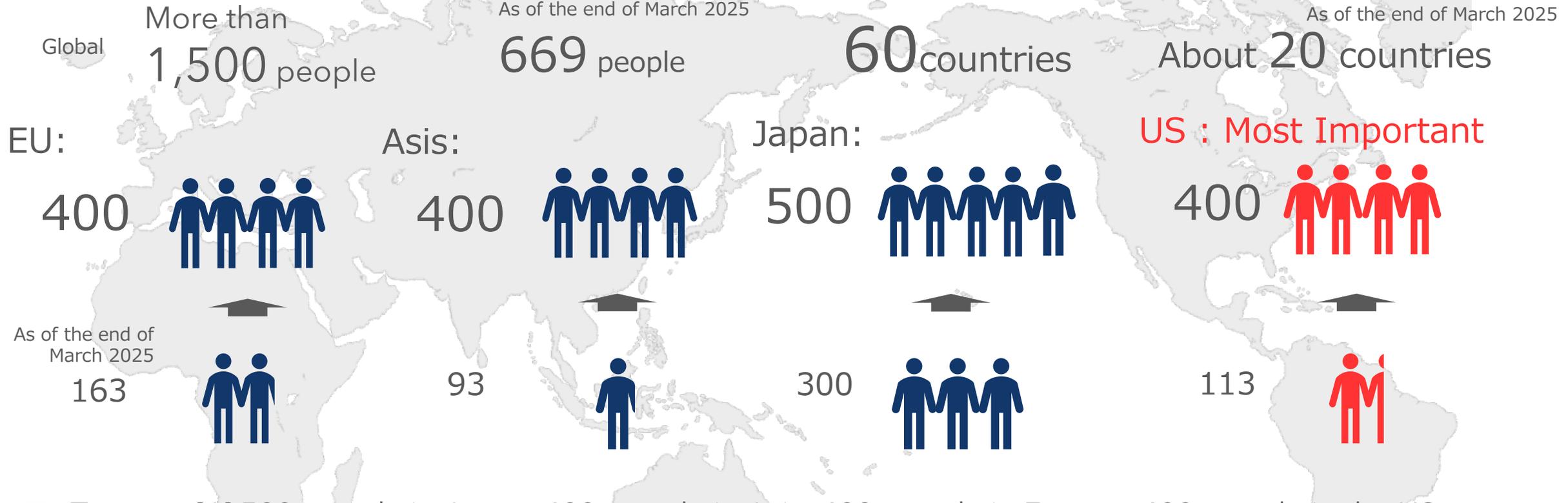


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Medium to long-term goal

■ Number of employees

■ Number of countries where we do business



■ Targets [1] 500 people in Japan, 400 people in Asia, 400 people in Europe, 400 people in the US
=> Building of a framework with more than 1,500 people

[2] Maintenance of profitability and improvement of profit margins while investing in growth (including M&A) in each region

[3] Expansion into about 60 countries worldwide

Growth Strategy

We will strengthen the provision of high-quality services and our financial base towards further overseas business expansion in future.

Governance



We will reform and strengthen our organizational structure to improve profitability while expanding services.

Sales



We will differentiate ourselves from major global CROs by strengthening our ability to provide finely detailed proposals to clients.

IT Investment



We will use digital technology to address needs for the greater efficiency of clinical trials and promote the streamlining of management.

Growth Strategy - Governance



We will reform and strengthen our organizational structure to improve profitability while expanding services.

Strengthening of communication between bases

We will share the state of progress and issues at each base promptly and strengthen systems that allow cooperation.

Securing and development of human resources

We will hire and develop excellent human resources so that we can provide highly specialized services, and strengthen initiatives for the retention of human resources.

Collaboration between services

In addition to monitoring services, we will strengthen collaboration between different services such as drug discovery support work and data management work, and provide prompt, flexible services.

Growth Strategy - Sales



We will differentiate ourselves from major global CROs by strengthening our ability to provide finely detailed proposals to clients.

Sales organization reform

We will advance the standardization of procedures and accumulate know-how so that we can carry out sales activities organized on a global basis.

Enhancement of sales strategies for each customer

While targeting with a focus on emerging biopharmaceutical companies in Europe and the United States, we will enhance our sales strategy to meet the different needs of each customer, including major pharmaceutical companies and Japanese pharmaceutical companies.

Development of global sales human resources

We will secure personnel who can take charge of sales activities in global collaboration.

Growth Strategy - IT Investment



We will use digital technology to address needs for the greater efficiency of clinical trials and promote the streamlining of management.

Use of AI in clinical trials

We will consider the introduction of a system and develop human resources familiar with both technology and clinical development towards the use of AI in clinical trial work.

Promotion of DX in each function

We will develop group-wide integrated digital tools and a system environment and improve productivity through DX.

Strengthening of cooperative relationships

Strengthening of the system-related partner network needed for Decentralized Clinical Trial (DCT) and the use of AI

The way we want to be

To be the "Strongest" CRO

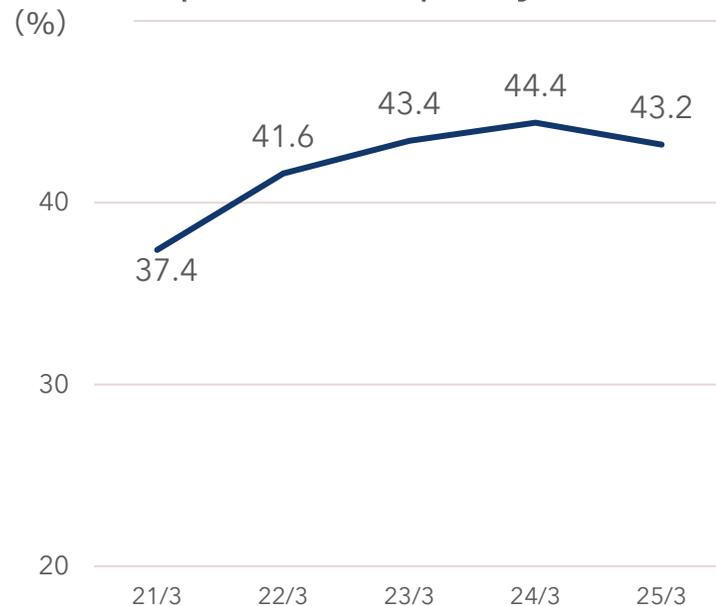
We are aiming to be the strongest CRO, not the biggest. To be the strongest CRO, we need to be **knowledge-intensive** rather than labor-intensive, and to achieve the highest profitability in the industry. To realize this, each team member will aim to **outperform the competition in terms of revenue per person**

Capital Policy

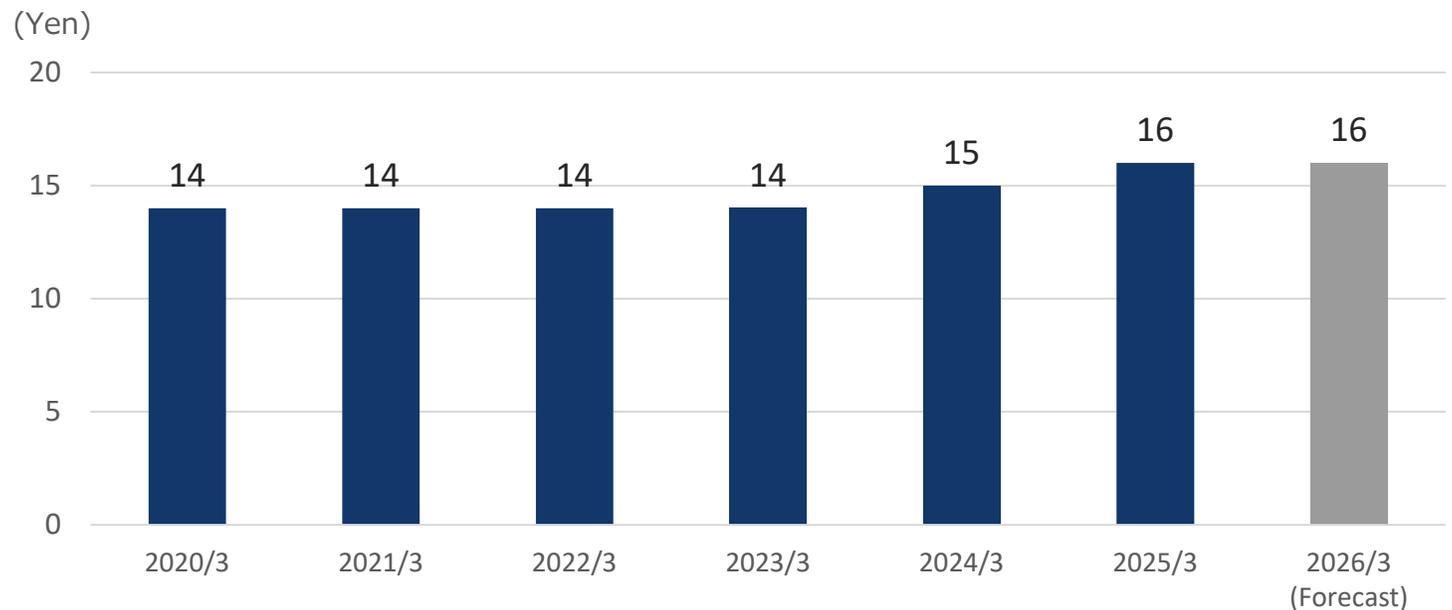
Strengthening of our financial base

- In order to secure funds for growth investment aimed at the expansion of overseas business, we will ensure sustained growth per share by increasing revenue based on the strategy above, maintaining high utilization rates, and managing costs thoroughly.
- At the same time, we will increase our quick ratio and capital adequacy ratio to enable flexible fund procurement.
- We will strive to secure both shareholder returns and funds for growth.

■ Capital Adequacy Ratio



■ Returns to Shareholders (trends in dividends)



Cautionary Notes



Those plans, forecasts, strategies, etc., stated in this document that are not historical facts are forecasts concerning future results. These are forecasts that have been determined by the company based on information currently available so please do not place undue reliance on them.

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