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August 8, 2025

Consolidated Earnings Report for the First Quarter of Fiscal 2025 [Japanese GAAP]

Company Name: BML, Inc.
Stock Listing: Tokyo Stock Exchange
Stock Code: 4694
URL: <https://www.bml.co.jp>
Representative: Kensuke Kondo, President and Representative Director
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Scheduled Date for Payment of Dividends: —
Creation of Supplementary Explanatory Materials: None
Holding of Explanatory Meeting: None

(Rounded down to nearest million yen)

1. Results for the First Quarter of Fiscal 2025 (April 1, 2025–June 30, 2025)

(1) Consolidated business results

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
1Q of FY2025	38,026	6.8	2,804	10.1	2,904	9.6	1,862	9.1
1Q of FY2024	35,592	0.9	2,547	(4.5)	2,649	(4.2)	1,707	(5.0)

(Note) Comprehensive income: 1Q of FY2025 ¥1,862 million / 8.3% 1Q of FY2024 ¥1,719 million / (5.2)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1Q of FY2025	47.75	47.73
1Q of FY2024	43.81	43.79

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of June 30, 2025	175,537	132,724	73.2
As of March 31, 2025	177,507	133,772	72.9

(Reference) Equity capital: As of June 30, 2025 ¥128,440 million As of March 31, 2025 ¥129,378 million

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2024	—	50.00	—	70.00	120.00
FY2025	—				
FY2025 (forecast)		60.00	—	60.00	120.00

(Note) Revision of dividend projection from recently announced figures: None

3. Consolidated Cumulative Earnings Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen
Full year	148,000	3.4	9,000	(3.9)	9,600	(3.7)	6,000	(4.2)	153.82

(Note) Revision from recently projected results: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies (Company name:)

Excluded: - companies (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reason: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of outstanding shares (common shares)

a. Number of outstanding shares at the end of the period (treasury shares included)

As of June 30, 2025	42,294,426	As of March 31, 2025	42,294,426
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b. Number of treasury shares at the end of the period

As of June 30, 2025	3,287,817	As of March 31, 2025	3,287,817
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c. Average number of shares during the period

1Q of FY2025	39,006,609	1Q of FY2024	38,984,139
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* Review of the attached quarterly financial results conducted by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Earnings forecasts contained in these materials are based on certain assumptions judged to be reasonable, and on the information available when the forecasts were made. However, the Company makes no guarantee that these forecasts will be achieved. Actual results may differ significantly from the forecasts due to a variety of factors. Please refer to “(3) Consolidated earnings forecasts and others” under “1. Overview of Financial Performance” on page 3 of this earnings report concerning financial forecasts such as the assumptions used for financial forecasts, factors that could cause these assumptions to change, and cautionary notes.

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1. Overview of Financial Performance

(1) Operating results for cumulative quarter under review

In the first three months of the fiscal year under review, the Japanese economy continued to show a mild recovery trend due to improvements in the employment and income environment, as well as the effects of various government policies. However, downside risks to the economy have increased because of the impact of US trade policies. Additionally, the persistent rise in prices risks dampening the Japanese economy by affecting consumer spending through declining consumer sentiment and other factors. It is also necessary to pay closer attention to the impact of fluctuations in financial and capital markets and other trends.

Under these economic conditions, the contract clinical testing industry continued to face a challenging business environment due to rising costs, including personnel expenses, and ongoing competition among companies. However, there was no reduction in medical service fees for clinical testing, as this was not a year for the biennial revision of medical service fees under the national health insurance (NHI) system.

Under these circumstances, net sales for the first three months of the fiscal year under review were ¥38,026 million, an increase of 6.8% year on year, and operating profit was ¥2,804 million, an increase of 10.1% year on year. Ordinary profit was ¥2,904 million, an increase of 9.6% year on year, and profit attributable to owners of parent was ¥1,862 million, an increase of 9.1% year on year. Net sales increased due to steady progress in acquiring new customers and the promotion of appropriate pricing that we have pursued since the previous fiscal year. Profit increased due to higher net sales, despite an increase in depreciation associated with the operation of a new facility (in January 2025).

Conditions by business segment are described below.

In the clinical testing business, the BML Group strengthened efforts to acquire new customers and aimed to enhance business performance by implementing activities to further develop sales to existing customers of such items as new testing items and priority testing items, as well as by optimizing sales prices. As a result, net sales in the clinical testing business increased by 6.9% year on year.

In the food hygiene business, orders for store inspection, which is a part of food consulting, increased, and intestinal bacteria testing numbers were solid. As a result, net sales in the food hygiene business increased by 6.7% year on year.

As a result of the above, net sales in the testing business overall increased by 6.9% year on year.

In the medical informatics business, we steadily responded to the replacement demand, and net sales increased by 6.4% year on year.

In other businesses, the number of cases acquired increased as a site management organization (SMO) for clinical trials at medical institutions. Although the dispensing pharmacy business was affected by the reduction in medical service fees (drug prices), net sales increased by 5.9% year on year due to an increase in prescriptions for high-priced drugs.

(2) Financial position for cumulative quarter under review

Assets, Liabilities, and Net Assets

Regarding the financial position at the end of the first quarter of the fiscal year under review, total assets amounted to ¥175,537 million, a ¥1,969 million decrease over the end of the previous fiscal year, net assets totaled ¥132,724 million, down ¥1,048 million over the end of the previous fiscal year, and the equity ratio was 73.2%, a 0.3 percentage point increase over the end of the previous fiscal year.

As for the main items contributing to an increase or decrease, in the assets section, in current assets, cash and deposits decreased by ¥2,101 million, while notes and accounts receivable - trade increased by ¥1,288 million. Property, plant and equipment decreased by ¥523 million, and investments and other assets decreased by ¥446 million. In the liabilities section, current liabilities decreased by ¥1,041 million. In net assets, retained earnings decreased by ¥867 million.

(3) Consolidated earnings forecasts and others

The Company has not changed its forecasts for consolidated results for the full year announced in the beginning of the fiscal year under review.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	67,562	65,461
Notes and accounts receivable - trade	26,824	28,113
Merchandise and finished goods	252	276
Work in process	749	849
Raw materials and supplies	3,681	3,480
Other	3,213	3,165
Allowance for doubtful accounts	(23)	(16)
Total current assets	102,259	101,329
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,312	29,124
Other, net	33,176	32,841
Total property, plant and equipment	62,489	61,965
Intangible assets		
Other	4,987	4,918
Total intangible assets	4,987	4,918
Investments and other assets		
Other	7,843	7,405
Allowance for doubtful accounts	(72)	(81)
Total investments and other assets	7,771	7,324
Total non-current assets	75,247	74,208
Total assets	177,507	175,537

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,714	20,674
Provision for bonuses	3,667	3,118
Other	14,213	12,762
Total current liabilities	37,595	36,554
Non-current liabilities		
Retirement benefit liability	1,775	1,786
Provision for retirement benefits for directors (and other officers)	190	182
Other	4,173	4,289
Total non-current liabilities	6,138	6,258
Total liabilities	43,734	42,813
Net assets		
Shareholders' equity		
Share capital	6,045	6,045
Capital surplus	6,659	6,659
Retained earnings	122,484	121,616
Treasury shares	(8,173)	(8,173)
Total shareholders' equity	127,016	126,148
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	577	545
Remeasurements of defined benefit plans	1,784	1,746
Total accumulated other comprehensive income	2,362	2,292
Share acquisition rights	23	23
Non-controlling interests	4,370	4,260
Total net assets	133,772	132,724
Total liabilities and net assets	177,507	175,537

(2) Consolidated statements of income and consolidated statements of comprehensive income**Consolidated statements of income**

April 1, 2025 – June 30, 2025

(Millions of yen)

	Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)	Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)
Net sales	35,592	38,026
Cost of sales	23,635	25,509
Gross profit	11,956	12,516
Selling, general and administrative expenses	9,409	9,711
Operating profit	2,547	2,804
Non-operating income		
Dividend income	92	72
Rental income from real estate	15	12
Other	36	64
Total non-operating income	144	150
Non-operating expenses		
Interest expenses	28	30
Rental costs on real estate	12	13
Other	0	6
Total non-operating expenses	41	50
Ordinary profit	2,649	2,904
Extraordinary income		
Gain on sale of non-current assets	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on retirement of non-current assets	13	4
Total extraordinary losses	13	4
Profit before income taxes	2,636	2,900
Income taxes - current	570	533
Income taxes - deferred	288	433
Total income taxes	858	967
Profit	1,778	1,932
Profit attributable to non-controlling interests	70	70
Profit attributable to owners of parent	1,707	1,862

Consolidated statements of comprehensive income

April 1, 2025 – June 30, 2025

	(Millions of yen)	
	Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)	Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)
Profit	1,778	1,932
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	(31)
Remeasurements of defined benefit plans, net of tax	(48)	(38)
Total other comprehensive income	(58)	(70)
Comprehensive income	1,719	1,862
Comprehensive income attributable to		
Owners of parent	1,649	1,792
Non-controlling interests	70	69

(3) Notes to quarterly consolidated financial statements

(Notes on segment information, etc.)

[Segment information]

I. Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

1. Information about net sales and profit or loss by reportable segment

Since information related to the business other than the reportable “testing business” segment is deemed immaterial, separate disclosure of the information is omitted.

2. Disclosure of impairment losses on non-current assets or goodwill, etc. for each reportable segment

Since the information is deemed immaterial, separate disclosure of the information is omitted.

II. Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

1. Information about net sales and profit or loss by reportable segment

Since information related to the business other than the reportable “testing business” segment is deemed immaterial, separate disclosure of the information is omitted.

2. Disclosure of impairment losses on non-current assets or goodwill, etc. for each reportable segment

Not applicable

(Notes on significant changes in the amount of shareholders’ equity)

Not applicable

(Notes on the assumption as a going concern)

Not applicable

(Notes on the statements of cash flows)

A quarterly statement of cash flows has not been prepared in relation to the first three months of the fiscal year ending March 31, 2026. Amounts of depreciation (including amortization of intangible assets) associated with the first three months of the fiscal year ending March 31, 2026, are as follows.

(Millions of yen)		
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	1,643	2,141

(Important subsequent events)

(Acquisition and cancellation of treasury shares)

The Company, at the Board of Directors meeting held on August 8, 2025, resolved to acquire treasury shares, as specified below, pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and also resolved on the specific method of acquisition. It also resolved to cancel its treasury shares pursuant to the provisions of Article 178 of the same Act.

(1) Reason for the acquisition of treasury shares

The Company will acquire treasury shares to enhance capital efficiency and improve shareholder returns.

(2) Details of the Board of Directors' resolution regarding the acquisition of treasury shares

- | | |
|---|--|
| (i) Class of shares to be acquired | Common shares of the Company |
| (ii) Total number of shares to be acquired | Up to 1,700,000 shares |
| (iii) Total amount of share acquisition costs | Up to 6,000,000,000 yen |
| (iv) Scheduled acquisition date | August 12, 2025 |
| (v) Method of acquisition | Purchase through the off-auction own share repurchase trading system (ToSTNeT-3) |

(3) Details of the Board of Directors' resolution regarding the cancellation of treasury shares

- | | |
|---|---|
| (i) Class of shares to be cancelled | Common shares of the Company |
| (ii) Total number of shares to be cancelled | All treasury shares acquired based on (2) above |
| (iii) Scheduled cancellation date | September 12, 2025 |

3. Other

Breakdown of sales

Testing		Three Months Ended June 30, 2024		Three Months Ended June 30, 2025		Change (%)
		¥ million	% of total	¥ million	% of total	
Testing business	Clinical testing business					
	Biochemical tests	13,935	39.2	14,658	38.5	5.2
	Hematological tests	2,919	8.2	3,053	8.0	4.6
	Immunological tests	7,365	20.7	8,050	21.2	9.3
	Microbiological tests	1,751	4.9	1,825	4.8	4.2
	Pathological tests	2,391	6.7	2,529	6.7	5.8
	Other tests	4,525	12.7	5,031	13.2	11.2
	(Clinical testing business subtotal)	32,889	92.4	35,148	92.4	6.9
	Food hygiene business	1,107	3.1	1,181	3.1	6.7
	Testing business subtotal	33,997	95.5	36,330	95.5	6.9
Medical informatics business		1,238	3.5	1,317	3.5	6.4
Other businesses		356	1.0	378	1.0	5.9
Total		35,592	100.0	38,026	100.0	6.8