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(Code no.: 197A, Standard Market, Tokyo Stock Exchange)  
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**TAUNS Laboratories, Inc. has Concluded a Capital and Business Alliance Agreement  
with KINS Co., Ltd., a Healthcare Startup Specializing in Microbiomes.**

TAUNS Laboratories, Inc. (headquartered in Izunokuni-shi, Shizuoka, Japan; Masaki Nonaka, President & CEO; Securities Code: 197A; hereinafter referred to as "the Company") and KINS Co., Ltd. (headquartered in Koto-ku, Tokyo; Yutaka Shimokawa, CEO; hereinafter referred to as "KINS") announce that the Company has subscribed to a private placement of new shares by KINS, and that the two companies have entered into a basic agreement for a business alliance aimed at developing new diagnostic technologies and preventive products using the microbiome and providing advanced services through the operation of clinics.

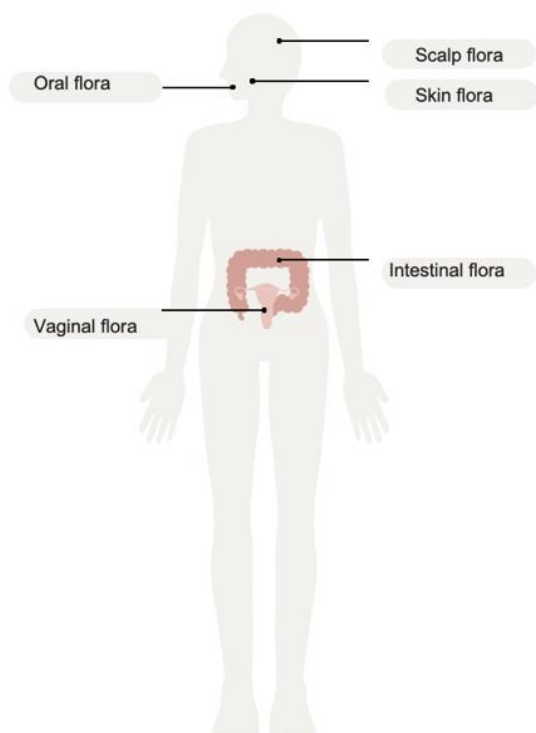
## **1. Background of Alliance**

### About the Microbiome Market

The microbiome is the totality of microorganisms (bacteria, fungi, viruses, etc.) that coexist in various parts of the human body, including the gut, skin, and oral cavity.

In recent years, the microbiome has been implicated in a variety of diseases and conditions, including diabetes, cancer, dementia, infertility, periodontal disease, inflammatory bowel disease, and atopic dermatitis. The whole-body microbiome has a complex relationship with diseases, including the gut-dermatocutaneous correlation, in which the gut microbiome influences skin diseases; the oral-gut correlation, in which the oral environment influences the state of the gut microbiome; and the gut-brain correlation, in which the gut microbiome influences diseases such as autism and dementia. The impact of microbiome on health is becoming increasingly clear not only in humans, but also in animals.

The microbiome is related to various diseases and symptoms throughout the body



**Examples of diseases/symptoms related to the microbiome**

Diabetes  
Cancer  
Dementia  
Infertility  
Periodontal disease  
Inflammatory bowel disease  
Atopic dermatitis

The human microbiome market is estimated to grow from approximately \$570 million (about ¥82 billion) in 2022 to approximately \$2.7 billion (about ¥390 billion) in 2030.<sup>1</sup> As specific solutions, in addition to pharmaceuticals for various diseases, there is also a growing social implementation of various methods of intervention targeting the microbiome, such as probiotics, which are taken to consume beneficial bacteria themselves; prebiotics, which are food that helps the growth and activity of beneficial bacteria; postbiotics, which are useful metabolites produced by microorganisms; and fecal microbiota transplantation (FMT), which involves transplanting the microorganisms (intestinal bacteria) contained in the stool of a healthy person into a patient with certain diseases to restore the balance of intestinal bacteria.

### KINS' Business and Competitive Advantage

KINS is a healthcare startup with a unique business model that explores seeds related to microbiome, while generating revenue in the consumer healthcare and clinic businesses. The consumer healthcare business offers "KINS BOX" and "KINS WITH BOX ORIGINAL," a service that combines a testing kit and multiple types of supplements.

In addition, KINS is building up a banking system of bacteria obtained from users through loyal user events held in its own laboratory, and through its clinic business, KINS is acquiring data on bacteria associated with specific diseases such as human skin diseases and animal periodontal diseases, and identifying bacteria that are correlated with diseases from the difference in bacteria obtained from both health users and patients with specific diseases. The company's clinics are also used for clinical research and are positioned as a place to quickly provide cutting-edge solutions created through research. By vertically integrating the consumer healthcare business, clinic business, and R&D business within the company, KINS is building a system that generates innovation one after another.

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<sup>1</sup> [https://www.aist.go.jp/aist\\_j/magazine/20231101.html](https://www.aist.go.jp/aist_j/magazine/20231101.html)

## KINS Business Model



## KINS BOX service including test kit



### The reason why the Company paid attention to KINS

As a leader in POCT for infectious diseases, one of our future goals is to implement tests in the prevention and screening stages to lead to early intervention in the field of chronic diseases. To achieve this goal, we believe it is necessary to work with a sense of speed by flexibly incorporating technologies not only developed in-house but also those of our business partners.

KINS is a leading startup focused on microbiome, as represented by "gut flora", and we expect that by partnering with KINS, we will be able to offer microbiome testing services for periodontal disease, fertility treatment, and a wider range of chronic diseases in the future. We expect that by partnering with KINS, we will be able to provide microbiome testing services for periodontal disease, fertility, and a wider range of chronic diseases. Furthermore, in combination with the testing services, we believe that early intervention in disease can be realized through high value-added doctor's supplements optimized for each individual<sup>2</sup>, etc.

In the future, we aim to develop new POCTs through cooperation between the two companies.

### **Comments from both presidents**

#### Comment from Mr. Masaki Nonaka, President and CEO, TAUNS Laboratories, Inc.

We are very pleased to form this capital and business alliance with KINS. This alliance is a major step forward for our company's long-standing efforts to expand into the chronic disease field. By combining KINS's extensive knowledge of microbiomes with our company's testing technology, we will work together to implement new testing and intervention services that have never been seen before, as well as to develop new POCTs.

#### Comment from Mr. Yutaka Shimokawa, CEO, KINS Co., Ltd.

In order to attempt to stratify and individualize various information, including each person's microbiome, and to provide appropriate treatments in the future, we believe that it will be necessary to conduct research and development on both test solutions and treatments in a joint manner, and we have always been looking for partner companies that have strengths in testing. In our own experience with the clinic we manage, we feel that

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<sup>2</sup> Supplements with a certain level of evidence, recommended by a physician who has confirmed microbiome test results.

there is a great need for rapid diagnostic kits. In the future, we look forward to working together to develop various new testing and treatment services for humans and animals, as well as combining our existing services with testing.

## 2. Details of Business Alliance

By combining our company's testing technology with KINS' experience in developing preventative products and operating clinics, we will continue to discuss the development of specific testing and preventative products and services in the following areas.

(Short-term initiatives)

- Development of a gut flora testing service to be offered in conjunction with KINS' existing services
- Development of periodontal disease testing products for dogs using specimens and data obtained at KINS veterinary hospitals.

(Medium-term initiatives)

- Joint development of microbiome-focused testing and intervention solutions in gynecology and dentistry
- Development of a gut flora testing service for companion animals

(Long-term commitment)

- Development of testing and preventive products for diabetes, cancer, dementia and other diseases

## 3. Outline of Capital and Business Alliance Partner

|                                      |   |
|--------------------------------------|---|
| (1) Name                             | KINS Co., Ltd.  |
| (2) Location                         | 1-17-8-328 Shinkiba, Koto-ku, Tokyo 136-0082 Japan                            |
| (3) Title and name of representative | Yutaka Shimokawa, CEO   |
| (4) Business                         | Research, product development and sales of microbiome                         |
| (5) Capital stock                    | 50 million yen  |
| (6) Date of Establishment            | December 2018   |
| (7) Corporate website                | <a href="https://corporate.yourkins.com/">https://corporate.yourkins.com/</a> |

## 4. Future Outlook

At present, we believe that this alliance will have a minimal impact on the business performance of TAUNS, but we will disclose any significant impact as soon as it is identified.

## **About TAUNS Laboratories, Inc.**

TAUNS Laboratories, Inc. is one of the major companies of infectious disease POCT in Japan. We manufacture in vitro diagnostic test kits and research reagents applying various diagnostic technologies for global consumption.

In the field of infectious disease POCT, which are our main products, we have been widely known for high-quality products and customer services by hospitals, clinics, research institutes and biotech start-ups.

For over 30 years since the company was established in 1987, under the corporate philosophy of enriching lives and providing peace of mind, we have strived to develop and improve our products.

In recent years, in addition to POCT, we have been actively developing new business areas such as contract inspection services using advanced technologies.

We will continue to conduct research and development to meet the needs of clinical testing.

For more information, please refer to the company's website 《<https://www.tauns.co.jp/en/>》.