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April 4, 2025

Company name: TAUNS Laboratories, Inc.
Representative: Masaki Nonaka, President and CEO
(Code no.: 197A, Standard Market, Tokyo Stock Exchange)
Contact person: Yoshio Uchiyama, Director and CFO
Tel: +81-55-957-3090

Notice of Capital and Business Alliance with Aillis, Inc. and Acquisition of Shares through Third-Party Allocation of New Shares

We are pleased to announce that as of today, our company has resolved to enter into a capital and business alliance with Aillis, Inc. (CEO: Sho Okiyama; hereinafter "Aillis") and to acquire shares in the company through a third-party allocation of new shares.

1. Purpose and Reason for Capital and Business Alliance

Under the corporate slogan of "Peace of mind through diagnostic technology," we have developed a variety of in vitro diagnostic test kits that apply our various diagnostic technologies and distributed them globally since its establishment in 1987.

Aillis is currently developing and providing AI image diagnosis services with the aim of a future where medical technology is shared through the power of technology, based on the mission "To shape the future of healthcare - empowering all for co-creation". Currently, they provide "nodoca", which checks whether a person has influenza or not based on throat images.

We have decided to enter into this capital and business alliance and underwrite a third-party allotment of new shares because we believe that through joint-research and development, we can improve the accuracy of diagnostic imaging and expand the range of diseases covered by Aillis' services, thereby contributing to society and increasing the corporate value of both companies.

2. Details of Business Alliance

This is a joint-research and development of a new AI diagnostic imaging service targeting specific diseases for diagnostic imaging as agreed by the two companies with respect to the AI diagnostic imaging service provided by Aillis. In addition, we will cooperate with Aillis to expand sales of its AI diagnostic imaging service to other companies.

3. Details of Capital Alliance

(1) Number of shares held before the change	0 shares (Number of voting rights: 0; Percentage of voting rights held: 0%)	
(2) Number of shares acquired	Class D preferred stock 93,432 shares	
(3) Acquisition cost	21,406 yen per share	
(4) Total acquisition cost	2,000,005,392 yen	
(5) Number of shares held after the change	93,432 shares (Number of voting rights: 93,432; percentage of voting rights held: 10.73%)	
(6) Key terms of Class D preferred stock	Preferred dividend	3% of the amount paid in Preferential rights to common stock and various types of preferred stock
	Distribution of residual assets	Preferential rights to common stock and various types of preferred stock
	Voting rights	One voting right per share of Class D preferred stock
(7) Reason for acquiring class shares	We made a comprehensive judgment based on the rights and the amount paid in for Class D preferred stock.	

4. Schedule

(1) Date of resolution by the Board of Directors	April 4, 2025 (today)
(2) Date of Contract	April 4, 2025 (today)
(3) Date of payment for third-party allocation of new shares	April 14, 2025

5. Outline of Capital and Business Alliance Partner

(1) Name	Aillis, Inc.
(2) Location	7F Yaesu Central Tower 2-2-1 Yaesu, Chuo-ku Tokyo 104-0028 Japan
(3) Title and name of representative	Sho Okiyama, CEO
(4) Business	Development, manufacturing, and sales of medical devices using AI technology, research and development of AI technology
(5) Capital stock	100 million yen
(6) Date of Establishment	November 2017
(7) Relationship with TAUNS	Capital relationships Not applicable Personal relationships Not applicable Business relationships Not applicable Related party relationships Not applicable.

(Note) The major shareholders and their shareholding ratios, as well as the financial position and business performance for the last three years, are not disclosed at the request of Aillis.

6. 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.